

# Public Document Pack

## NOTICE OF COUNCIL MEETING - 26 FEBRUARY 2015

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber - Guildhall on Thursday, 26 February 2015 at 6.00 pm and I hereby summon you to attend.

Dated 18 February 2015

Yours faithfully

A handwritten signature in black ink, appearing to read 'AP Jackson', written in a cursive style.

Chief Executive

### **Agenda**

- 1 To approve as a correct record the minutes of the meeting held on 6 November 2014**  
*(Pages 9 - 44)*
- 2 Mayors Announcements**
- 3 Public Questions Time - see at the foot of the agenda for details of the scheme**
- 4 To consider the recommendations of the Executive for Adoption**

- 4a Money Transmission (Banking) Contract (Executive Councillor for Finance and Resources)**  
*(Pages 45 - 50)*
- 4b Annual Treasury Management Strategy Statement 2015/16 (Executive Councillor for Finance and Resources)**  
*(Pages 51 - 72)*
- 4c 2015/16 Housing Revenue Account (HRA) Budget Setting Report (Executive Councillor for Housing)**  
*(Pages 73 - 196)*
- 5 To consider budget recommendations of the Executive for adoption**  
*(Pages 197 - 200)*
- 5a Proposed Revenue and Capital Budgets -2014/15 (Revised), 2015/16 (Budget & Council Tax) and 2016/17 (Forecast) (The Leader)**  
*(Pages 201 - 204)*
- 5b Liberal Democrat Group Amendment to the Executive's budget recommendations.**  
*(Pages 205 - 236)*
- 6 To consider the recommendations of Committees for Adoption**
- 6a Licensing Committee\_26.01.15: Annual Review of Licensing Fees and Charges**  
*(Pages 237 - 246)*
- 6b Civic Affairs\_28.01.15: Council Tax Base and Business Rates Calculations**  
*(Pages 247 - 252)*

## **6c Civic Affairs\_ 28.01.15: Pay Policy Statement 2015/16**

*(Pages 253 - 266)*

### **7 To deal with Oral Questions**

### **8 To consider the following Notices of Motion, notice of which has been given by:**

#### **8a Councillor Price & Councillor Blencowe**

##### Affordable Housing Supply in Cambridge

The City Council's Vision for Cambridge as One Cambridge Fair for All is one in which an affordable local home close to jobs and good neighbourhood facilities is available to all regardless of income or tenure. To achieve our aim for a City with mixed and balanced communities where prosperity is shared, it is vital that developers contribute their fair share toward meeting housing needs and the cost of community infrastructure.

This Council notes that recent changes in the national planning framework by the Liberal Democrat and Tory coalition government will seriously impact our ability to deliver our affordable housing requirements through the planning process. This will worsen the housing affordability crisis in Cambridge which is leading to many low and middle income residents being priced out of housing across market sale, social and private rental sectors. It will also transfer the cost of meeting vital neighbourhood infrastructure such as community, play and sport facilities and education from developers of a significant number of new homes to the Council and existing residents.

In particular this Council condemns:

i. The Small Sites Exemption announcement on 1 December 2014 by the Tory Minister for Housing and Planning whereby affordable housing and other S106 contributions cannot be sought on sites of 10 units and under with a maximum combined floor space of less than 1000 sq metres. In Cambridge small sites play a key role in meeting our housing need and the council's own research for the

draft new Local Plan has shown that viability is not related to site size. It is estimated that this change alone will lead to a loss of around 200 new affordable homes over the next decade in the City, and an ongoing and cumulative financial loss of up to £1/2 million a year for community infrastructure.

ii. The Vacant Building Credit introduced on 28 November 2014 by the Liberal Democrats and Tory government whereby affordable housing contributions can only be sought on any increase in floorspace where buildings are brought back into use or replaced. In a city with a tight urban boundary relying on the development of a high number of brownfield sites, this will have a significant and damaging impact on our ability to deliver affordable housing on many sites coming forward.

This Council further notes that Cambridge has a strong property and development sector, so these are wholly unnecessary developer give always at a high community cost and that the changes are perverse is that they reverse the normal presumption that planning obligations should be applied unless developers can prove an impact on viability severe enough to justify removal or change.

The Council regrets the failure by the Liberal Democrats and Tories in government to deliver on their pledges for housing, with completions running far below the levels of the previous Labour government and, in particular, its failure to deliver new social housing at social rent levels whilst causing a significant decrease in existing social housing stock through its revitalisation of Right to Buy.

The Council acknowledges, however, that the latest planning changes have met with almost universal condemnation from councils across the political spectrum, and it resolves to work through the Local Government Association and with other councils to seek their reversal by government.

## **9 Written Questions**

No discussion will take place on this item. Members will be asked to note the written questions and answers document as circulated around the Chamber.

## 10 Urgent Decisions

### 10a Additions to the Capital Plan: Refurbishment of the Cambridge Access Surgery: Executive Councillor for Housing 18.11.14

*(Pages 267 - 272)*

## Information for the Public

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

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

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

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

**Public Participation** Some meetings may have parts that will be closed to the public, but the reasons for excluding the press and public will be given.

Most meetings have an opportunity for members of the public to ask questions or make statements.

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.

Speaking on Planning or Licensing Applications is subject to other rules. Guidance for speaking on these issues can be obtained from Democratic Services on 01223 457013 or

[democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

Further information about speaking at a City Council meeting can be found at:

<https://www.cambridge.gov.uk/speaking-at-committee-meetings>

Cambridge City Council would value your assistance in improving the public speaking process of committee meetings. If you have any feedback please contact Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

**Filming,  
recording  
and  
photography**

The Council is committed to being open and transparent in the way it conducts its decision making. The public may record (e.g. film, audio, tweet, blog) meetings which are open to the public.

Anyone who does not want to be recorded should let the Chair of the meeting know. Those recording meetings are strongly urged to respect the wish of any member of the public not to be recorded.

**Fire Alarm**

In the event of the fire alarm sounding please follow the instructions of Cambridge City Council staff.

**Facilities for  
disabled  
people**

Level access to the Guildhall is via Peas Hill.

A loop system is available in Committee Room 1, Committee Room 2 and the Council Chamber.

Accessible toilets are available on the ground and first floor.

Meeting papers are available in large print and other formats on request.

For further assistance please contact Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

**Queries on reports** If you have a question or query regarding a committee report please contact the officer listed at the end of relevant report or Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

**General Information** Information regarding committees, councilors and the democratic process is available at <http://democracy.cambridge.gov.uk/>

**Mod.Gov App** Modern.gov offer an app that can be used to ensure you always have the latest meeting papers for the committees you are interested in.

<http://www.moderngov.co.uk/our-solutions/tablet-app-paperless-meetings>



**Present:** Councillors Bird (Mayor), Dryden (Deputy Mayor) , Abbott, Ashton, Austin, Avery, Baigent, Benstead, Bick, Bird, Blackhurst, Blencowe, Cantrill, Dryden, Gawthrope, Hart, Herbert, Hipkin, Holland, Johnson, McPherson, Meftah, Moghadas, Moore, O'Reilly, Owers, Perry, Pippas, Pitt, Price, Ratcliffe, Reid, Reiner, Roberts, Robertson, Sarris, Sinnott, C. Smart, M. Smart, Todd-Jones, Tucker and Tunnacliffe

<b>FOR THE INFORMATION OF THE COUNCIL</b>
---

**14/50/CNL To approve as a correct record the minutes of the meeting held on 24 July 2014**

The minutes of the 24 July 2014 meeting were approved as a correct record and signed by the Mayor.

**14/51/CNL Mayors Announcements**

**1. APOLOGIES**

Apologies were received from Councillor Julie Smith.

**2. OPEN CAMBRIDGE WEEKEND**

The Mayor confirmed that the City had collaborated with the University of Cambridge in the Open Cambridge weekend and groups had visited the Guildhall on Friday 12 and Saturday 13 September.

**3. MAYOR'S DAY OUT**

The Mayor thanked Councillors that had helped with stewarding at the annual outing for senior citizens to Great Yarmouth on 21 August.

**4. REMEMBRANCE**

The Mayor confirmed that the Remembrance Sunday Civic Service would take place at Great St. Mary's Church at 10.55am.

A wreath would be laid on behalf of the City at the War Memorial and 2 minutes silence would be observed from the main entrance to the Guildhall on Tuesday 11 November at 11am.

## **5. DISABILITY CAMBRIDGESHIRE**

The Mayor confirmed that a fund raising event for Disability Cambridgeshire would take place on 4 December during Disability History Month.

## **6. MAYOR'S RECEPTION – FRIDAY, 21<sup>ST</sup> NOVEMBER**

The Mayor confirmed that a reception would take place at the Guildhall on Friday 21 November from 7pm to 9pm.

## **7. CHEVYN SERVICE**

The Mayor confirmed that the preaching of the Chevyn Sermon would take place at St. George's Church, Chesterfield Road, on Sunday, 1 February at 10am.

## **8. HONORARY COUNCILLOR PETER COWELL**

The Mayor formally reported that Honorary Councillor Peter Cowell had passed away in September, aged 81 years.

Peter was a Councillor for 30 years and represented King's Hedges Ward. During that period he was elected to the office of Mayor on four occasions.

He served on a number of the Council's Committees and, for many years, chaired the Planning Committee. He was a great supporter of the City's twinning link the City with Heidelberg and played a key role in establishing the link of friendship with Szeged.

When he retired from the Council, he was elected to be an Honorary Councillor and, in 2003, the City granted to him the exceptional honour of becoming an Honorary Freeman of Cambridge. This is the highest honour any Council can bestow and was in recognition of his eminent service to the City over such a long period of years.

A letter had been sent on behalf of the Council to Peter's widow, Annette, and a donation had been made in Peter's memory to Parkinson's UK.

Councillors observed a minutes silence in memory of Peter Cowell.

## **14/52/CNL Public Questions Time - see at the foot of the agenda for details of the scheme**

There were no public questions.

## **14/53/CNL To consider the recommendations of the Executive for Adoption**

### 14/53a/CNL Housing Revenue Account (HRA) Mid-Year Financial Review (Executive Councillor for Housing)

**Resolved** (by 27 votes to 0):

To approve:

- Proposals for changes in existing housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix E of the document, with the resulting position summarised in Appendix H.
- Inclusion of a new scheme in the Housing Capital Investment Plan, relating to the replacement of air cooling systems at the area housing offices, at a cost of £11,000.

Under 100B(4)(b) of the Local Government Act 1972 the Mayor ruled that the Executive Councillor recommendations regarding the Mid-Year Financial (MFR) October 2014 be considered despite not being made publicly available for this Committee five clear days prior to the meeting.

### 14/53b/CNL Mid Year Financial Review (MFR) October 2014 (Executive Councillor for Finance and Resources)

Councillor Bick proposed and Councillor Catherine Smart seconded the following amendment:

#### **Amend General Fund Revenue recommendation (ii):**

After "[pages 15 to 17 refer] insert: "with the exception of the savings items in relation to Safer City Grants, Housing Improvement Grants and Grants to the Voluntary Sector which should not be considered until the budget, generating the revised pressures and savings table attached. This provided an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in the revised Section 5 table (attached) and the revised Section 8 savings requirements table (attached).

**Revised table: MFR Section 4, pages 16-17 (agenda pages 219-220)**

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>Pressures</b>						
Cowley Road ex Park and ride site - Unavoidable loss of income from non-renewal of lease.	60					
Land charges - to increase existing earmarked reserve to the total expected amount of litigation claims brought by personal search companies	30					
Lion Yard - revised rental income projections in light of current occupation levels and prospects		150	150	150	150	150
Guildhall – expected reduction in turnover rent receipts due to increased competition for the occupier	40	40	40	40	40	40
Trade Waste – Increases in gate fees for disposal	40	40	40	40	40	40
Shortfall in budgeted commercial property income. Additional property not purchased as planned due to shortfall in business rates income earmarked for the purchase	46	69	84	84	84	84
Investment estate (excluding Lion Yard) – decrease in rent and service charge projections in light of current occupation levels and prospects		96	96	96	96	96
Statutory adjustment of interest on capital receipts between GF and HRA, required to ensure costs are correctly assigned between the accounts	166	166	166	166	166	166
<b>Total pressures</b>	<b>382</b>	<b>561</b>	<b>576</b>	<b>576</b>	<b>576</b>	<b>576</b>
<b>Deliverable savings</b>						
Review and rebalancing of recharges from GF to HRA, to ensure equitable distribution of costs between the accounts	(81)	(81)	(81)	(81)	(81)	(81)
Corporate Strategy miscellaneous savings identified from 2013/14 underspend	(17)	(17)	(17)	(17)	(17)	(17)
Safer City Grants – Reduction identified from 2013/14 underspend	–	–	–	–	–	–
Home Improvement Grants – savings as a result of underspends in previous years.	–	–	–	–	–	–
Waste savings identified from 2013/14 underspends in trade refuse, recycling and Refuse and Environment operational support	(125)	(55)	(55)	(55)	(55)	(55)
Business rates on moorings not now needed	(8)	(8)	(8)	(8)	(8)	(8)

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Pre application planning advice savings identified from 2013/14 underspends	(5)	(5)	(5)	(5)	(5)	(5)
Grants to the voluntary sector – savings following review	-	-	-	-	-	-
Revised provision for supplies and services inflation	-	(100)	(100)	(100)	(100)	(100)
HR savings following review of service	-	(56)	(56)	(56)	(56)	(56)
<b>Total deliverable savings</b>	<b>(236)</b>	<b>(322)</b>	<b>(322)</b>	<b>(322)</b>	<b>(322)</b>	<b>(322)</b>
<b>Total pressures less deliverable savings</b>	<b>146</b>	<b>239</b>	<b>254</b>	<b>254</b>	<b>254</b>	<b>254</b>

Applying these budget savings and pressures gives an indication of the net savings requirements by year for the next 5 years.

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Current Savings Target (new savings each year)	-	1,315	1,308	798	1,073	1,547	<b>6,041</b>
Impact on savings target - pressures	-	561	15	-	-	-	<b>576</b>
<b>Revised savings target including pressures</b>	<b>-</b>	<b>1,876</b>	<b>1,323</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>	<b>6,617</b>
Impact on savings target - deliverable savings	-	(322)	-	-	-	-	<b>(322)</b>
<b>Savings still to be found</b>	<b>-</b>	<b>1,554</b>	<b>1,323</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>	<b>6,295</b>

**Revised table: MFR Section 5, page 18 (agenda page 221)**

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>Expenditure</b>						
Net service budgets	19,813	18,488	17,434	16,673	16,719	16,488
Revenue budget proposals	125	239	254	254	254	254
Future years PPF provision	-	100	100	100	100	100
Capital accounting adjustments	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)
Capital expenditure financed from revenue	3,224	3,656	2,457	1,075	1,075	1,075
Contributions to earmarked funds	2,678	2,959	3,263	3,357	2,622	2,369
Revised net savings requirement	-	(1,554)	(1,323)	(798)	(1,073)	(1,547)
Contribution to reserves	-	-	-	258	-	-
<b>Net spending requirement</b>	<b>21,184</b>	<b>19,232</b>	<b>17,529</b>	<b>16,263</b>	<b>15,041</b>	<b>14,083</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(8,115)	(6,901)	(6,004)	(5,224)	(4,545)	(3,954)
Locally Retained Business Rates – Growth element	(670)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	(93)	-	-	-	-	-
New Homes Bonus (NHB)	(3,376)	(3,376)	(3,376)	(2,589)	(1,854)	(1,291)
Appropriations from earmarked funds	-	-	-	-	-	-
Council Tax	(6,706)	(7,024)	(7,349)	(7,650)	(7,842)	(8,038)
Contributions from reserves	(2,224)	(1,131)	-	-	-	-
<b>Total funding</b>	<b>(21,184)</b>	<b>(19,232)</b>	<b>(17,529)</b>	<b>(16,263)</b>	<b>(15,041)</b>	<b>(14,083)</b>

**Revised table: MFR Section 8, page 25 (agenda page 228)**

Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
<b>Net savings requirement (BSR 2014)</b>	<b>1,315</b>	<b>1,308</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>	<b>6,041</b>
Contribution to savings target (Section 4)	239	15	-	-	-	254
<b>Revised (MFR) net savings requirement</b>	<b>1,554</b>	<b>1,323</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>	<b>6,295</b>

On a show of hands the amendment was lost by 13 votes to 27.

**Resolved** (unanimously):

### **General Fund Revenue**

- i. To agree the budget strategy, process and timetable for the 2015/16 budget cycle as outlined in Section 1 [pages 5 to 6 refer] and Appendix A of the MFR document.

**Resolved** (by 27 votes to 0):

- ii. To agree incorporation of the budget savings and pressures identified in Section 4 [pages 15 to 17 refer]. This provided an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in Section 5 [page 18 refers] of the MFR document.

**Resolved** (unanimously):

### **Capital**

To agree:

- iii. inclusion of a new scheme in the Capital Plan relating to the replacement of an air cooling system, at a cost of £166,950 (£70,000 from existing repairs and renewals funding, the remainder from available capital funding), subject to a detailed project appraisal.
- iv. other changes to the Capital Plan, predominantly re-phasing as set out in Section 6 [pages 19 to 22 refer] of the MFR document.

Note the proposal for a focused review of the processes and procedures underlying capital planning and delivery in advance of setting the 2015/16 budget in February 2015, with a view to delivering improved, fit for purpose processes and a sustainable capital plan, as set out in Section 6 [page 22 of MFR document refers]

### **Reserves**

- v. changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £4.40m and the target level at £5.28m as detailed in Section 7 [pages 23 to 24 of the MFR document refer].

14/53c/CNL Mid-Year Financial Review (MFR) 2014/15 to 2017/18 - Treasury Management half yearly update report (Executive Councillor for Finance and Resources)

**Resolved** (unanimously):

- i. To agree amendments to the Counterparty list, which highlighted changes in Capita's (Council's Treasury Adviser) credit criteria, within Appendix B of the officer's report. These are summarised below:-
  - Name 'smaller' building societies with an asset value greater than £5billion; and;
  - Show the limits for 'smaller' building societies meeting these criteria.
- ii. To add equity investment in the Local Capital Finance Company, the legal entity of the UK Municipal Bonds Agency, to non-specified investments within the Council's investment strategy.
- iii. To agree changes to the estimated Prudential & Treasury Indicators for 2014/15 to 2017/18, inclusive, as set out in Appendix G of the officer's report.
- iv. To approve a capital investment of up to £50,000 in the equity share capital of the Local Capital Finance Company; and;
- v. To delegate the final decision on investment to the Head of Finance in consultation with the Executive Councillor for Finance and Resources.
- vi. To include additional capital expenditure of £220,000, funded by borrowing, to the capital plan, for the additional capital cost of the Clay Farm Community Centre.

14/53d/CNL Arrangements to establish The Cultural Trust (The Leader)

Councillor Cantrill proposed and Councillor Reid seconded the following amendment (additions underlined):

Recommends Council

- a) To approve the budget and finance proposals set out in the report.
- b) To instruct the Leader of the Council to seek a commitment from Cambridge Live that they will pay the living wage and seek to become an accredited living wage employer with the Living Wage Foundation.



- c) To instruct the Leader of the Council to write to Cambridge Live stating that the Council's financial commitment to the trust will be limited to that proposed in the report and will not be the lender of last resort.
- d) To approve that the two councillor trustees appointed to the board of Cambridge Live represent the two largest parties on the council and that the Executive Councillor consult Chair and Spokes of Customer and Community Services committee (and having due regard to comments made) before nominating.
- e) To instruct the Leader of the Council to bring to S&R Scrutiny committee the final scrutiny arrangements for Cambridge Live following the trust working group meeting of 5<sup>th</sup> November.

It was agreed that the amendments would be voted on separately.

On a show of hands the following amendment was carried unanimously:

- b) *To instruct the Leader of the Council to seek a commitment from Cambridge Live that they will pay the living wage and seek to become an accredited living wage employer with the Living Wage Foundation.*

On a show of hands the following amendments were lost by 13 votes to 27:

- c) To instruct the Leader of the Council to write to Cambridge Live stating that the Council's financial commitment to the trust will be limited to that proposed in the report and will not be the lender of last resort.
- d) To approve that the two councillor trustees appointed to the board of Cambridge Live represent the two largest parties on the council and that the Executive Councillor consult Chair and Spokes of Customer and Community Services committee (and having due regard to comments made) before nominating.
- e) To instruct the Leader of the Council to bring to S&R Scrutiny committee the final scrutiny arrangements for Cambridge Live following the trust working group meeting of 5<sup>th</sup> November.

**Resolved (unanimously):**

- i. To approve the budget and finance proposals set out in the report.
- ii. To instruct the Leader of the Council to seek a commitment from Cambridge Live that they will pay the living wage and seek to become an accredited living wage employer with the Living Wage Foundation.

**14/53d/CNL Establishment of Greater Cambridge Joint Governance Framework (The Leader)**

**Resolved** (unanimously):

- i. To endorse the following:
  - The amended Terms of Reference for the Executive Board;
  - The Leader of the Council be appointed to represent the Council on the Executive Board;
  - Councillor Blencowe be appointed as the Council's substitute representative on the Executive Board;
  - the amended Terms of Reference for the Assembly;
  - The delegation of the executive functions of the City Council referred to in the Terms of Reference for the Executive Board.
  
- ii To appoint the following three City Council representatives onto the Assembly, on a politically proportionate basis:
  - Councillor Price
  - Councillor Martin Smart
  - Councillor Bick

**14/53e/CNL Authority to deputise for the Chief Executive (The Leader)**

**Resolved** (unanimously):

- i. To authorises the Director of Customer and Community Services to deputise for the Chief Executive and to act as Head of Paid Service during the Chief Executive's absence.

**14/54/CNL To consider the recommendations of Committees for Adoption**

**14/54a/CNL Constitution-changes to comply with legislation on recording officer decisions and recording meetings**

**Resolved** (unanimously):

- i. To adopt the revised 'Part 4B- Access to Information Rules' set out in the appendix of the officer's report.

- ii. To authorise the Monitoring Officer to make consequential changes to other parts of the Constitution that refer to recording meetings and public speaking rights.

#### 14/54B/CNL Ombudsman finding of Maladministration

#### **Resolved** (unanimously):

- i. To endorse the actions taken by officers in response to the findings of the Local Government Ombudsman.

#### **14/55/CNL To deal with Oral Questions**

##### **1) Councillor Dryden to the Leader**

**Can the Leader update the Council on events relating to the training of Libyan soldiers at Bassingbourn Barracks and the information available to date on the sexual assaults in Cambridge, both admitted and alleged?**

The Leader responded that he was deeply concerned about the recent incidents involving Libyan soldiers. The City had been unprepared for their arrival. The soldiers should not have been permitted to leave Bassingbourn Barracks without supervision, yet transport had been provided for them to come into the City.

Concern was also raised that the barracks had only contacted the City Council on the 30 October after the incidents had been reported in the press.

The City Council was investigating the incidents and had written to the Commanding Officer as well as holding discussions with the Police and Crime Commissioner. Issues regarding lighting and CCTV in the City had been raised and these were also being investigated.

##### **2) Councillor Avery to the Leader**

**Would the Leader please confirm that the Council's priorities extend to all areas of the City?**

The Leader responded that the Labour Group took an interest in, and were active in, all Wards within the City.

### **3) Councillor Blackhurst to the Executive Councillor for Housing**

**How many, a) one bedroom, b) two bedroom , c) three bedroom and d) properties with four or more bedrooms, have been sold from the Council's housing stock under the right to buy scheme since 1st April 2012, and how many, if any, of those properties had been specially adapted to meet tenants' disability needs?**

The Executive Councillor responded that 27 1-bedroom, 52 2-bedroom, 45 3-bedroom, 0 4-bedroom and 1 bedsit property had been sold from the Council's housing stock under the right to buy scheme since 1st April 2012.

A total of 7 properties had been specially adapted to meet tenants' disability needs.

### **4) Councillor Tunnacliffe to the Executive Councillor for City Centre and Public Places**

**Could the Executive Councillor say why there has been inadequate lighting on Jesus Green recently which may have contributed to the unfortunate assault on a resident who was crossing the Green early in the evening last week?**

The Executive Councillor responded that, whilst it was unclear if better lighting would have prevented the incident, high quality lighting was important for the City.

The lighting on Jesus Green was powered by sodium lamps and was therefore low quality. The County Council, who were responsible for street lighting, were however undertaking a 2 year upgrade programme.

Officers had requested that the contractor Balfour Beatty undertake a lighting survey on Jesus Green and this was being progressed. Any lighting failures should be reported to the County Council.

The Executive Councillor also noted that, whilst the paths on Jesus Green had been resurfaced, the County Council were unable to replace the lighting before December. The City Council had however installed temporary lights.

## **5) Councillor Catherine Smart to the Executive Councillor for Planning Policy and Transport**

**What criteria did the Executive Councillor use when calculating the new car park charges to be brought in next April? How will they compare with on-street parking charges and for those using the Park and Ride sites?**

The Executive Councillor responded that in the current financial climate it was necessary to review car parking charges. Whilst car parking was an income generator for the City Council it was important to balance this against possible economic affects in the City. A consultation was underway and a report would be brought to the Joint Area Committee (JAC) in due course. The County Council were also in the process of reviewing their on-street car parking charges.

The Executive Councillor noted that on-street parking remained the most expensive way to park in the City, with Park and Ride being the cheapest.

## **6) Councillor Bick to the Executive Councillor for City Centre and Public Places**

**Would the Executive Councillor comment on the public impact of the additional lights installed on Parker's Piece at the beginning of this year?**

The Executive Councillor responded that whilst support had been expressed for the additional lighting on Parker's Piece at the moment all of the feedback was anecdotal.

The lighting had only been in place since May, during the lighter months of the year, and it was only after a full 12 month period that its impact could be judged.

Whilst police and crime figures could be looked at, on occasion it was the perception of risk and safety that was more important than raw data.

---

## **7) Councillor Pippas to the Executive Councillor for Planning Policy and Transport**

**Now that domestic planning applications have been considered by the Central Planning Committee on a number of occasions, can the Executive Councillor comment on whether he believes that the decision by the Labour Group to remove planning from Area Committees was the right one?**

The Executive Councillor responded that he still felt that it was the correct decision to remove planning from Area Committees.

The following Oral Questions were also tabled, but owing to the expiry of the period of time permitted, were not covered during the meeting:

8) Councillor Tucker to the Executive Councillor for Planning Policy and Transport

Could the Executive Councillor please explain the rationale of retaining the existing car parking charges on a Sunday next year?

9) Councillor Baigent to the Executive Councillor for Housing

Following the release of The Lyons Housing Review, can the Executive Councillor explain the potential benefits of this report for the people of Cambridge?

10) Councillor Moore to the Executive Councillor for Community, Arts and Recreation

Is the Executive Councillor aware that the drop in support group for breastfeeding mothers meeting at Homerton Children's Centre is at risk of closing? This group supports babies and their mothers from all over the City who have the most difficult feeding problems to get the best nutritional start in life.

11) Councillor Cantrill to the Executive Councillor for Finance and Resources

Could the Executive Councillor indicate the current level of R&R funds the Council has available for spending on replacement and renewal of equipment and infrastructure on green open spaces?

12) Councillor Roberts to the Executive Councillor for Community, Arts and Recreation

Can the Executive Councillor please update Council on preparations for the first Cambridge Community Fair to be held in February 2015?

13) Councillor Austin to the Executive Councillor for City Centre and Public Places

The Executive Councillor has a very important decision to take in relation to allowing a compound to be constructed on Parkers Piece a key open space in the city. What criteria will she use to make her decision and what weighting will she give to the important view of residents who have responded to the consultation?

**14/56/CNL To consider the following Notices of Motion, notice of which has been given by:**

**14/56a/CNL Motion A**

Councillor Dryden proposed and Councillor Ashton seconded the following motion:

“This Council believes that:

- i. As a local authority we have a duty to provide the best possible public services.
- ii. Our ability to provide quality local services would be significantly enhanced by Government securing increased revenues by tackling tax dodging, particularly the large sums avoided by multinationals.
- iii. All who benefit from public spending should contribute their fair share.
- iv. The UK must take a lead role in creating a fairer tax system and combating tax dodging, a matter of major concern to a significant number of Cambridge residents.

The Council will therefore write to the Chancellor of the Exchequer and the Shadow Chancellor asking for further action and detail on measures under way to stop tax dodging and work internationally to end opportunities for multinationals to avoid UK tax obligations using tax havens.”

**Resolved** (unanimously) to agree the motion as set out above.

**14/56b/CNL Motion B**

Councillor Robertson proposed and Councillor Todd-Jones seconded the following motion:

“The bedroom tax, also called the Spare Room Subsidy, was introduced by the coalition government in April 2012, despite serious concerns being raised by stock holding councils, housing professionals and charities such as the Joseph Rowntree Foundation. In Cambridge up to 800 Council and Housing Association tenants were affected, with 3/4 of these being Council tenants.

This Council notes that:

- i. The bedroom tax continues to have a severe impact on its tenants with 20% now in arrears and only 5% having been able to downsize in line with national findings.

- ii. 45% of tenants are also being supported through Discretionary Housing Payments, which are a time limited award.
- iii. The Discretionary Housing Payment (DHP) fund is also meant to support top ups to the Local Housing Allowance for private sector tenants and those impacted by other welfare reforms by the coalition government but over 80% of the DHP fund is being used for bedroom tax cases.

This Council also notes that:

- i. Julian Huppert has consistently voted for the bedroom tax in Parliament, voting 12 times in support of it and only now that it has proved to be unpopular has he changed his position to appear to be against it. The Parliamentary Labour Party is committed to repealing the bedroom tax if elected in May 2015 and the Cambridge Labour led City Council is committed to not evicting any tenant in arrears solely due to the bedroom tax.
- ii. The Affordable Homes Bill from Andrew George MP in September 2014 is very unlikely to become law and in any case would not mitigate the impact sufficiently on vulnerable groups and will continue to cause pressure and stress to those affected over a prolonged period of time.

This Council therefore resolves that the Leader of the Council will:

- i. Write to Julian Huppert asking him to recognise the misery the bedroom tax had caused and ask for his support in Parliament to repeal the Bill and to recognise that, in line with localism, social sector landlords are best placed to determine their own local lettings policies and best use of their existing stock.
- ii. Ask for his support to lift or remove the debt cap on the Housing Revenue Account which is the chief barrier to the City Council to build more social housing and tackle overcrowding and waiting lists.”

Councillor Blackhurst proposed and Councillor Catherine Smart seconded the following amendment:

“Delete all after:

The Council also notes that:-

and substitute:-

- i) Julian Huppert MP secured a public commitment from the Secretary of State for Work and Pensions, Iain Duncan Smith, that ‘no benefit reduction should take place until people have at least been offered somewhere appropriately sized and located’, but that Mr Duncan Smith failed to fulfil his promise



ii) The Affordable Homes Bill currently before Parliament would, if passed, deliver on that commitment, and exempt people with disabilities from the changes. The Council supports this Bill and condemns the actions of Conservative MPs in blocking this essential Bill

iii) In 2008, the then Labour Government brought in a similar removal of spare room subsidy for private rented accommodation on which the new one is modelled.

iv) The Labour Government in reforming the Local Housing Allowance, chose to calculate it on a Broad Market Rental Area, which has made it impossible for anyone reliant on the LHA to find anywhere to live in the city. Shelter found that by May 2010, not a single property in Cambridge was affordable under LHA.

v) That all over the country, including here in Cambridge, people are living in overcrowded rented accommodation.

vi) The lack of social rented houses for those in need is a national disgrace and the loss of 421,000 social rented properties during the time of the Labour Government has contributed to this.

vii) This government has scrapped Labour's tenant tax, also known as negative subsidy, which took £12 million away from council tenants in Cambridge.

The Council therefore resolves that the Leader of the Council will:-

i) Write to the Chancellor of the Exchequer, the Shadow Chancellor of the Exchequer, and the Chief Secretary to the Treasury explaining that lifting or removing the debt cap on the Housing Revenue Account and permitting prudent borrowing would enable the City Council to build more social houses and start to tackle the problems of overcrowding and long waiting lists.

ii) Write to Julian Huppert MP, enclosing copies of those letters and asking him to continue to support our efforts to lift or remove the debt cap on the Housing Revenue Account, and to write to Andrew Lansley MP, asking for his support to this end also.

On a show of hands the amendment was lost by 12 votes to 27.

**Resolved** (by 27 votes to 0) that:

The bedroom tax, also called the Spare Room Subsidy, was introduced by the coalition government in April 2012, despite serious concerns being raised by stock holding councils, housing professionals and charities such as the Joseph Rowntree Foundation. In Cambridge up to 800 Council and Housing Association tenants were affected, with 3/4 of these being Council tenants.

This Council notes that:

- i. The bedroom tax continues to have a severe impact on its tenants with 20% now in arrears and only 5% having been able to downsize in line with national findings.
- ii. 45% of tenants are also being supported through Discretionary Housing Payments, which are a time limited award.
- iii. The Discretionary Housing Payment (DHP) fund is also meant to support top ups to the Local Housing Allowance for private sector tenants and those impacted by other welfare reforms by the coalition government but over 80% of the DHP fund is being used for bedroom tax cases.

This Council also notes that:

- i. Julian Huppert has consistently voted for the bedroom tax in Parliament, voting 12 times in support of it and only now that it has proved to be unpopular has he changed his position to appear to be against it. The Parliamentary Labour Party is committed to repealing the bedroom tax if elected in May 2015 and the Cambridge Labour led City Council is committed to not evicting any tenant in arrears solely due to the bedroom tax.
- ii. The Affordable Homes Bill from Andrew George MP in September 2014 is very unlikely to become law and in any case would not mitigate the impact sufficiently on vulnerable groups and will continue to cause pressure and stress to those affected over a prolonged period of time.

This Council therefore resolves that the Leader of the Council will:

- i. Write to Julian Huppert asking him to recognise the misery the bedroom tax had caused and ask for his support in Parliament to repeal the Bill and to recognise that, in line with localism, social sector landlords are best placed to determine their own local lettings policies and best use of their existing stock.
- ii. Ask for his support to lift or remove the debt cap on the Housing Revenue Account which is the chief barrier to the City Council to build more social housing and tackle overcrowding and waiting lists.

## 14/56c/CNL Motion C

Councillor Bick proposed and Councillor Reid seconded the following motion:

“Council notes:

- i. The urgent need to increase the relevance of public decision making to people’s daily lives and to rejuvenate our local democracy.
- ii. The opportunity to tackle this in an appropriate way in England following the Scottish referendum and the commitments made there for increased devolution from Westminster.
- iii. The recent report of the RSA City Growth Commission presenting just the latest evidence that city regions, if empowered to do so, can serve to boost national economic growth.
- iv. The groundswell of support in the local business community for a single council providing coordinated, accountable leadership for the Greater Cambridge area.
- v. The welcome debate opened up at the County Council for alternative approaches to local government in our area, to which the City Council will be asked to participate.

Council believes that:

- i. The survival of the proud tradition of municipal innovation and enterprise, which historically transformed social conditions and enabled strides in prosperity is under threat from the control tendencies of all recent governments.
- ii. There is much to do to in our own area, yet too often our locally elected representatives are circumscribed from taking actions that local people expect of them.
- iii. Both the unwieldy structure of local government covering the City of Cambridge and the centralisation of the vast majority of revenues arising from the area are major sources of frustration with the democratic process.
- iv. Power should reside as close to people as is consistent with making effective decisions that impact them.
- v. Irrespective of demarcations between councils, voluntary collaborations between them are being shown to offer economies of scale and critical mass where needed for cost effective service delivery.
- vi. For purposeful, democratic, local government, we should aspire to a single tier council framed around the logical community of interest within an economic sub region: a shared area of identity within which most people both live and work;

Council calls on the Leader and Chief Executive to:

- i. Participate in discussions with other Cambridgeshire authorities to build a consensus for a new single tier authority for the south of the county with appropriate solutions for the remainder.
- ii. Seek in the interim negotiations with central Government through the structure created for the Greater Cambridge City Deal to seek acceleration of the already committed legislation to enable a Greater Cambridge combined authority.
- iii. Develop and articulate the case for:
  - The retention without strings of a majority of the public revenues arising in this area from business rates and other property based taxation, allowing for the remainder to be redeployed nationally for equalisation.
  - Local accountability to local people for setting business rates and council tax levels.
  - Greater freedom to borrow against business plans for investment in housing.
  - A proportional voting system within a newly empowered local government.
  - A national constitutional convention to provide the stimulus for a new mindset in Westminster and Whitehall and a general framework for progress in all these respects.”

Councillor Herbert proposed and Councillor Roberts seconded the following amendment (additions underlined, deletions ~~struck through~~):

“Council notes:

- i. The urgent need to increase the relevance of public decision making to people’s daily lives and to rejuvenate our local democracy.
- ii. The opportunity to tackle this in an appropriate way in England following the Scottish referendum and the commitments made there for increased devolution from Westminster.
- iii. The recent report of the RSA City Growth Commission presenting just the latest evidence that city regions, if empowered to do so, can serve to boost national economic growth.
- iv. The groundswell of support in the local business community for a single council providing coordinated, accountable leadership for the Greater Cambridge area.
- v. The welcome debate opened up at the County Council for alternative approaches to local government in our area, to which the City Council will be asked to participate.

Council believes that:

- i. The survival of the proud tradition of municipal innovation and enterprise, which historically transformed social conditions and enabled strides in prosperity is under threat from the control tendencies of all recent governments.
- ii. There is much to do to in our own area, yet too often our locally elected representatives are circumscribed from taking actions that local people expect of them.
- iii. Both the unwieldy structure of local government covering the city of Cambridge and the centralisation of the vast majority of revenues arising from the area are major sources of frustration with the democratic process.
- iv. Power should reside as close to people as is consistent with making effective decisions that impact them.
- v. Irrespective of demarcations between councils, voluntary collaborations between them are being shown to offer economies of scale and critical mass where needed for cost effective service delivery.
- vi. For purposeful, democratic, local government, we should aspire to a single tier council framed around the logical community of interest within an economic sub region: a shared area of identity within which most people both live and work;

Council calls on the Leader and Chief Executive to:

- i. Participate in discussions with other Cambridgeshire authorities and Peterborough to ~~build~~ seek a consensus for a ~~new~~ single tier solution of several unitary authorities including one for greater Cambridge, and a local referendum if supported in principle, including full involvement of residents, local community organisations, the business community and Universities. ~~authority for the south of the county with appropriate solutions for the remainder.~~
- ii. Seek in the interim negotiations with central Government through the ~~structure created for~~ on the Greater Cambridge City Deal to ~~seek~~ acceleration of the already ~~committed~~ proposed legislation to enable a Greater Cambridge combined authority.
- iii. Develop and articulate the case for:
  - The retention without strings of a majority of the public revenues arising in this area from business rates and other property based taxation, allowing for the remainder to be redeployed nationally for equalisation.

- Local accountability to local people for setting business rates and council tax levels.
- clear devolution of powers from Whitehall, working in partnership with Cambridgeshire councils, Peterborough and similar city regions, to remove obstacles to sustainable growth for Greater Cambridge including
  - lifting the Housing Revenue Account cap and transferring related housing powers
  - addressing additional strategic transport infrastructure that is essential but not covered by the City Deal or already agreed
  - increasing capital and revenue funding for schools and skills development
  - removing barriers to enable councils to tackle inequality, and
  - strengthening local planning powers for Greater Cambridge. ~~Greater freedom to borrow against business plans for investment in housing.~~
- A proportional voting system within a newly empowered local government.
- A national constitutional convention to provide the stimulus for a new mindset in Westminster and Whitehall and a general framework for progress in all these respects

On a show of hands the amendment was carried by 36 votes to 0, with 3 abstentions.

**Resolved** (by 37 votes to 0, with 3 abstentions) that:

Council notes:

- i. The urgent need to increase the relevance of public decision making to people's daily lives and to rejuvenate our local democracy.
- ii. The opportunity to tackle this in an appropriate way in England following the Scottish referendum and the commitments made there for increased devolution from Westminster.
- iii. The recent report of the RSA City Growth Commission presenting just the latest evidence that city regions, if empowered to do so, can serve to boost national economic growth.
- iv. The groundswell of support in the local business community for a single council providing coordinated, accountable leadership for the Greater Cambridge area.
- v. The welcome debate opened up at the County Council for alternative approaches to local government in our area, to which the City Council will be asked to participate.

Council believes that:

- i. The survival of the proud tradition of municipal innovation and enterprise, which historically transformed social conditions and enabled strides in prosperity is under threat from the control tendencies of all recent governments.
- ii. There is much to do to in our own area, yet too often our locally elected representatives are circumscribed from taking actions that local people expect of them.
- iii. Both the unwieldy structure of local government covering the city of Cambridge and the centralisation of the vast majority of revenues arising from the area are major sources of frustration with the democratic process.
- iv. Power should reside as close to people as is consistent with making effective decisions that impact them.
- v. Irrespective of demarcations between councils, voluntary collaborations between them are being shown to offer economies of scale and critical mass where needed for cost effective service delivery.

- vi. For purposeful, democratic, local government, we should aspire to a single tier council framed around the logical community of interest within an economic sub region: a shared area of identity within which most people both live and work;

Council calls on the Leader and Chief Executive to:

- i. Participate in discussions with other Cambridgeshire authorities and Peterborough to seek a consensus for a single tier solution of several unitary authorities including one for greater Cambridge, and a local referendum if supported in principle, including full involvement of residents, local community organisations, the business community and Universities.
- ii. Seek in the interim negotiations with central Government on the Greater Cambridge City Deal acceleration of the already proposed legislation to enable a Greater Cambridge combined authority.
- iii. Develop and articulate the case for:
  - The retention without strings of a majority of the public revenues arising in this area from business rates and other property based taxation, allowing for the remainder to be redeployed nationally for equalisation.
  - Local accountability to local people for setting business rates and council tax levels.
  - clear devolution of powers from Whitehall, working in partnership with Cambridgeshire councils, Peterborough and similar city regions, to remove obstacles to sustainable growth for Greater Cambridge including
    - lifting the Housing Revenue Account cap and transferring related housing powers
    - addressing additional strategic transport infrastructure that is essential but not covered by the City Deal or already agreed
    - increasing capital and revenue funding for schools and skills development
    - removing barriers to enable councils to tackle inequality, and



- strengthening local planning powers for Greater Cambridge.
- A proportional voting system within a newly empowered local government.
- A national constitutional convention to provide the stimulus for a new mindset in Westminster and Whitehall and a general framework for progress in all these respects.

### **14/56d/CNL Motion D**

Councillor Owers proposed and Councillor Martin Smart seconded the following motion:

“This Council uses the opportunity of Living Wage Week 2014 (2<sup>nd</sup>-8<sup>th</sup> November) to welcome Cambridge City Council’s new status as an accredited Living Wage employer, and to thank all those who worked hard to make that status possible.

This Council resolves to scrupulously ensure that the terms of accreditation are satisfactorily and expeditiously implemented.

This Council resolves to now take the Living Wage campaign in Cambridge further by prioritising the promotion of the Living Wage in the wider Cambridge economy, among both public and private sector organisations, by highlighting not only the moral case, but also the business case for paying a wage that allows all workers to live a full, active and decent life within the community.

This Council notes that independent research has concluded that paying the Living Wage has multiple benefits for businesses, including:

- i. Improving staff productivity and performance.
- ii. Improving staff retention and loyalty.
- iii. Improving companies’ reputation for corporate social responsibility.
- iv. Increased local purchasing power and demand for goods and services.

This Council notes that these benefits are particularly pertinent to Cambridge given the city’s high population churn, high living and housing costs, competitive labour market, and high level of concern about corporate social responsibility.

This Council notes and supports the appointment of the innovative new post of Living Wage Co-ordinator, a position that has received strong public backing from the Living Wage Foundation.

This Council resolves to work with the Living Wage Co-ordinator and Living Wage Foundation to implement a Living Wage external promotion strategy that will include:

- i. Information-gathering and research to identify which organisations do and do not pay the Living Wage.
- ii. Advocating the benefits of paying the Living Wage and assisting firms with the business case for implementing the Living Wage.
- iii. Helping sympathetic organisations apply for Living Wage accreditation.
- iv. Enlisting private and public sector partners who can advocate and outline the benefits of the Living Wage on our behalf.
- v. High level political engagement and advocacy, including through local business and public sector networks such as Cambridge Ahead, the Cambridge BID, and the Cambridge Network, and our partnerships in the City Deal and the LEP, and with other local authorities.
- vi. Partnership with local Trade Unions.
- vii. Working with the Living Wage Foundation to implement the next stage of their national strategy, namely to give consumers more information about which firms and organisations pay the Living Wage so that people can make ethical purchasing decisions, perhaps through a 'kitemark' scheme."

Councillor Cantrill proposed and Councillor Reid seconded the following amendment:

Delete all and replace with

"This Council uses the opportunity of the Living Wage Week 2014 (2<sup>nd</sup> -8<sup>th</sup> November) to welcome Cambridge City Council's new status as an accredited Living Wage Employer. The Council acknowledges the steps taken by the Liberal Democrat administration in a) introducing the Living Wage for all council employees and agency staff in 2013 and b) proposing and initiating the process by which the council has become an accredited Living Wage Employer at the beginning of 2014.

This Council resolves to scrupulously ensure that the terms of the accreditation are satisfactorily and expeditiously implemented, particularly in relation to council contracts with third parties and commits to ensure that any activities

that are currently undertaken by the council but will in the future be undertaken on a joint or third party basis commit to paying the Living Wage and to seeking Living Wage Employer accreditation (to the extent that they do not have it).

This Council resolves to take the living wage campaign in Cambridge further by prioritising the promotion of the Living Wage in the wider Cambridge economy, among both public and private sector organisations, by highlighting not only the moral case, but also the business case for paying a wage that allows all workers to live a full, active and decent life within the community.

This Council notes that independent research has concluded that paying the Living Wage has multiple benefits for employers:

1. Improve staff productivity and performance
2. Improve staff retention and loyalty
3. Improving companies' reputation for corporate social responsibility
4. Increased local purchasing power and demand for goods and services

This Council notes that these benefits are particularly pertinent to Cambridge given the city's high population churn, high living and housing costs, competitive labour market and high level of concern about corporate social responsibility.

This Council notes the appointment of the post of Living Wage Coordinator, supported by the Living Wage Foundation.

This Council resolves to work with the Living Wage Co-ordinator and the Living Wage Foundation to implement a Living Wage external promotion strategy that will include:

1. Information gathering and research to identify which organisations do not pay the Living Wage – prioritising
  - a. Those employers that have a relationship with the council; and
  - b. retailers within Cambridge
2. Advocate the benefits of paying the Living Wage and assisting firms with the business case for implementing the living wage
3. Helping sympathetic organisations apply for Living Wage accreditation
4. Enlisting private and public sector partners who can advocate and outline the benefits of the Living Wage on our behalf
5. High level political engagement and advocacy, including through local business and public sector networks such as Cambridge Ahead, the

Cambridge BID, and the Cambridge Network, and our partnerships in the City Deal and the LEP, and other local authorities

6. Partnerships with local Trade Unions and the Chamber of Commerce
7. Working with the Living Wage Foundation to implement the next stage of their national strategy, namely to give consumers more information about which firms and organisations pay the pay the Living Wage so that people can make ethical purchasing decisions, perhaps through the kitemark scheme

Further more this Council resolves:

To set a target of achieving the Living Wage City status within a 24 month period (as defined by 75% of employers within the city paying the living wage) and asks the executive councillor to set out plans as to how this goal will be achieved.”

With the agreement of Council, Councillor Cantrill withdrew this amendment.

Councillor Cantrill proposed and Councillor Owers seconded the following amendment:

Delete all and replace with

“This Council uses the opportunity of the Living Wage Week 2014 (2<sup>nd</sup> -8<sup>th</sup> November) to welcome Cambridge City Council’s new status as an accredited Living Wage Employer and to thank all those who made it possible.

This Council resolves to scrupulously ensure that the terms of the accreditation and satisfactorily and expeditiously implemented, particularly in relation to council contracts with third parties and will ensure that any activities that are currently undertaken by the council but will in the future be undertaken on a joint or third party basis that those employers commit to paying the Living Wage.

This Council resolves to take the living wage campaign in Cambridge further by prioritising the promotion of the Living Wage in the wider Cambridge economy, among both public and private sector organisations, by highlighting not only the moral case, but also the business case for paying a wage that allows all workers to live a full, active and decent life within the community.

This Council notes that independent research has concluded that paying the Living Wage has multiple benefits for employers:

1. Improve staff productivity and performance
2. Improve staff retention and loyalty
3. Improving companies' reputation for corporate social responsibility
4. Increased local purchasing power and demand for goods and services

This Council notes that these benefits are particularly pertinent to Cambridge given the city's high population churn, high living and housing costs, competitive labour market and high level of concern about corporate social responsibility.

This Council notes and supports the appointment of the innovative new post of Living Wage Coordinator, supported by the Living Wage Foundation.

This Council resolves to work with the Living Wage Co-ordinator and the Living Wage Foundation to implement a Living Wage external promotion strategy that will include:

1. Information gathering and research to identify which organisations do not pay the Living Wage – prioritising
  - a. Those employers that have a relationship with the council; and
  - b. retailers within Cambridge
2. Advocate the benefits of paying the Living Wage and assisting firms with the business case for implementing the living wage
3. Helping sympathetic organisations apply for Living Wage accreditation
4. Enlisting private and public sector partners who can advocate and outline the benefits of the Living Wage on our behalf
5. High level political engagement and advocacy, including through local business and public sector networks such as Cambridge Ahead, the Cambridge BID, and the Cambridge Network, and our partnerships in the City Deal and the LEP, and other local authorities
6. Partnerships with local Trade Unions and the Chamber of Commerce
7. Working with the Living Wage Foundation to implement the next stage of their national strategy, namely to give consumers more information about which firms and organisations pay the pay the Living Wage so that people can make ethical purchasing decisions, perhaps through the kitemark scheme

Further more this Council resolves:

To set a target of achieving the Living Wage City status in the medium term period (as defined by 75% of employers within the city paying the living wage) and asks the executive councillor in consultation with the living wage coordinator to set out plans as to how this goal will be achieved.”

On a show of hands the amendment was carried unanimously.

**Resolved** (unanimously) that:

This Council uses the opportunity of the Living Wage Week 2014 (2<sup>nd</sup> -8<sup>th</sup> November) to welcome Cambridge City Council’s new status as an accredited Living Wage Employer and to thank all those who made it possible.

This Council resolves to scrupulously ensure that the terms of the accreditation and satisfactorily and expeditiously implemented, particularly in relation to council contracts with third parties and will ensure that any activities that are currently undertaken by the council but will in the future be undertaken on a joint or third party basis that those employers commit to paying the Living Wage.

This Council resolves to take the living wage campaign in Cambridge further by prioritising the promotion of the Living Wage in the wider Cambridge economy, among both public and private sector organisations, by highlighting not only the moral case, but also the business case for paying a wage that allows all workers to live a full, active and decent life within the community.

This Council notes that independent research has concluded that paying the Living Wage has multiple benefits for employers:

1. Improve staff productivity and performance
2. Improve staff retention and loyalty
3. Improving companies’ reputation for corporate social responsibility
4. Increased local purchasing power and demand for goods and services

This Council notes that these benefits are particularly pertinent to Cambridge given the city’s high population churn, high living and housing costs, competitive labour market and high level of concern about corporate social responsibility.

This Council notes and supports the appointment of the innovative new post of Living Wage Coordinator, supported by the Living Wage Foundation.

This Council resolves to work with the Living Wage Co-ordinator and the Living Wage Foundation to implement a Living Wage external promotion strategy that will include:

1. Information gathering and research to identify which organisations do not pay the Living Wage – prioritising
  - a. Those employers that have a relationship with the council; and
  - b. retailers within Cambridge
2. Advocate the benefits of paying the Living Wage and assisting firms with the business case for implementing the living wage
3. Helping sympathetic organisations apply for Living Wage accreditation
4. Enlisting private and public sector partners who can advocate and outline the benefits of the Living Wage on our behalf
5. High level political engagement and advocacy, including through local business and public sector networks such as Cambridge Ahead, the Cambridge BID, and the Cambridge Network, and our partnerships in the City Deal and the LEP, and other local authorities
6. Partnerships with local Trade Unions and the Chamber of Commerce
7. Working with the Living Wage Foundation to implement the next stage of their national strategy, namely to give consumers more information about which firms and organisations pay the pay the Living Wage so that people can make ethical purchasing decisions, perhaps through the kitemark scheme

Further more this Council resolves:

To set a target of achieving the Living Wage City status in the medium term period (as defined by 75% of employers within the city paying the living wage) and asks the executive councillor in consultation with the living wage coordinator to set out plans as to how this goal will be achieved.

**14/56e/CNL Motion E**

Councillor Cantrill proposed and Councillor Catherine Smart seconded the following motion:

“Council recognises that

- i. The city's connection to long distance coach networks is important to residents and visitors alike and makes a positive contribution to the city economy
- ii. Current arrangements to provide a terminus on Parkside are inadequate and unsustainable both to surrounding residents and the travelling public as well as inconsistent with the character and amenity of Parker's Piece
- iii. The current temporary facilities at Parkside were put in place in 2007 pending development of a county-led bus management strategy which does not seem to have materialised and the current temporary planning permission expires this year
- iv. In order to obtain proper facilities for travellers, some flexibility and willingness to work with the local authorities should be expected of the bus companies to determine the most suitable permanent location

Council calls on its Planning Officers to work with County Transport Officers to develop alternative locations as a means of providing a suitable permanent home for the coach interchange, noting in particular the expectation that the railway station after its redevelopment would provide a possible solution, as discussed at the start of the current temporary arrangement on Parkside.”

Councillor Blencowe proposed and Councillor Dryden seconded the following amendment (additions underlined, deletions ~~struck through~~):

“Council recognises that

- i. The city's connection to long distance coach networks is important to residents and visitors alike and makes a positive contribution to the city economy.
- ii. Current arrangements to provide a terminus on Parkside are inadequate and unsustainable both to surrounding residents and the travelling public ~~as well as inconsistent with the character and amenity of Parker's Piece~~
- iii. The current temporary facilities at Parkside were put in place in 2007 following the joint county/city meeting in 2006 of the Cambridge Environmental and Traffic Management Area Joint



Committee chaired by Julian Huppert, pending development of a county-led bus management strategy which does not seem to have materialised. and the current temporary planning permission expires this year

- iv. In order to obtain proper facilities for travellers, some flexibility and willingness to work with the local authorities should be expected of the bus companies to determine the most suitable permanent location.

~~Council calls on its Planning Officers to work with County Transport Officers to develop alternative locations as a means of providing a suitable permanent home for the coach interchange, noting in particular the expectation that the railway station after its redevelopment would provide a possible solution, as discussed at the start of the current temporary arrangement on Parkside.~~

Council calls on the County Council, supported by the City Council Planning Service, to undertake a thorough review of long distance coach/bus passenger waiting facilities in Cambridge, and asks the County Council to report back to the Cambridge Joint Area Committee as soon as practical.

On a show of hands the amendment was carried by 24 votes to 11.

Councillor Bick proposed and Councillor Pitt seconded the following amendment (addition underlined):

“Council recognises that

- i. The city's connection to long distance coach networks is important to residents and visitors alike and makes a positive contribution to the city economy.
- ii. Current arrangements to provide a terminus on Parkside are inadequate and unsustainable both to surrounding residents and the travelling public.
- iii. The current temporary facilities at Parkside were put in place in 2007 following the joint county/city meeting in 2006 of the Cambridge Environmental and Traffic Management Area Joint Committee chaired by Julian Huppert, pending development of a county-led bus management strategy which does not seem to have materialised.

- iv. In order to obtain proper facilities for travellers, some flexibility and willingness to work with the local authorities should be expected of the bus companies to determine the most suitable permanent location.

Council calls on the County Council, supported by the City Council Planning Service, to undertake a thorough review of long distance coach/bus passenger waiting facilities in Cambridge considering alternative locations, and asks the County Council to report back to the Cambridge Joint Area Committee as soon as practical.”

On a show of hands the amendment was carried unanimously.

**Resolved** (unanimously) that:

Council recognises that

- i. The city's connection to long distance coach networks is important to residents and visitors alike and makes a positive contribution to the city economy.
- ii. Current arrangements to provide a terminus on Parkside are inadequate and unsustainable both to surrounding residents and the travelling public.
- iii. The current temporary facilities at Parkside were put in place in 2007 following the joint county/city meeting in 2006 of the Cambridge Environmental and Traffic Management Area Joint Committee chaired by Julian Huppert, pending development of a county-led bus management strategy which does not seem to have materialised.
- iv. In order to obtain proper facilities for travellers, some flexibility and willingness to work with the local authorities should be expected of the bus companies to determine the most suitable permanent location.

Council calls on the County Council, supported by the City Council Planning Service, to undertake a thorough review of long distance coach/bus passenger waiting facilities in Cambridge considering alternative locations, and asks the County Council to report back to the Cambridge Joint Area Committee as soon as practical.

### **14/57/CNL Written Questions**

Members noted the written question and answer circulated around the Chamber.

### **14/58/CNL Special Urgency Decisions**

#### Potential Sale of LBI HF claims

Members noted the Special Urgency decision.

The meeting ended at 11.58 pm

**CHAIR**

This page is intentionally left blank

<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL</b> <b>(Executive Councillor for Finance and Resources)</b></p>
---

## **MONEY TRANSMISSION (BANKING) CONTRACT RENEWAL REPORT**

The existing banking contract expires on 31<sup>st</sup> March 2016. The report sought the Executive Councillor's approval to re-tender and at the end of the tender process, to award a banking contract to a chosen banking provider. This was in line with Part 4G (paragraph 2.1) of the Council's Constitution on contracts (the Contract Procedure Rules) under S135 Local Government Act 1972.

The Strategy and Resources Scrutiny Committee considered and approved the amended recommendations unanimously.

**Accordingly, Council is recommended:**

- i. To authorise the delegation to the Director of Business Transformation to undertake the re-tendering and award of the Council's Banking Contract for a period of 5 years (with the Council's option to extend up to a further 5 years), subject to the preferred tender price being within 10% over the estimated contract value;
- ii. To commence the tender process by not using a Framework option i.e. using a 'full' tender process; and;
- iii. To use an 'open' tender route and to evaluate bidders using the same creditworthiness criteria as used to select the City Council Counterparty List.

This page is intentionally left blank



To: The Executive Councillor for Finance & Resources:  
Councillor George Owers  
Report by: Caroline Ryba – Head of Finance & S151 Officer  
Relevant scrutiny committee: Strategy & Resources 19/01/2015  
Scrutiny Committee  
Wards affected: All Wards

## **MONEY TRANSMISSION (BANKING) CONTRACT RENEWAL REPORT**

### **Key Decision**

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

- 1.1 The existing banking contract expires on 31<sup>st</sup> March 2016. This report seeks the Executive Councillor's approval to re-tender and at the end of the tender process, to award a banking contract to a chosen banking provider.
- 1.2 This is in line with Part 4G (paragraph 2.1) of the Council's Constitution on contracts (the Contract Procedure Rules) under S135 Local Government Act 1972.

#### **2. Recommendations**

- 2.1 The Executive Councillor is asked to recommend to Council the following three items:-
  - To authorise the delegation to the Director of Business Transformation to undertake the re-tendering and award of the Council's Banking Contract for a period of 5 years (with the Council's option to extend up to a further 5 years), subject to the preferred tender price being within 10% over the estimated contract value;
  - To commence the tender process by not using a Framework option i.e. using a 'full' tender process; and;
  - To use an 'open' tender route.

### **3. Background**

- 3.1 The Current Contract of Banking Services with HSBC Bank plc, is due to expire on 31<sup>st</sup> March 2016.
- 3.2 A provider of Banking Services will need to be selected by the Autumn of 2015 to allow for all administrative and banking procedures to be put in place, before the existing contract expires.
- 3.3 A contract period of 5 years (with an option to extend up to a further 5 years) will give the Council stability and certainty to move forward in its strategic aims and future plans.

### **4. Implications**

(a) **Financial Implications**

The estimated total contract value for a term of 8 years is £360,000. It will therefore be a requirement for an advert to be placed within the Official Journal of the European Union (OJEU). This is due to this particular services and supply contract exceeding £172,514. Additionally, no adverse VAT implications are envisaged.

(b) **Staffing Implications**

None envisaged.

(c) **Equal & Poverty Implications**

No negative impacts identified.

(d) **Environmental Implications**

No environmental implications are expected.

(e) **Procurement**

The procurement options available to the Council are:-

- Tender for a new contract using an 'open' or 'restrictive' route; and;
- Tender, using a local or national framework purchasing consortium

The first option is preferred (using an 'open' tender route) as it will give an opportunity for a wider variety of applications to be received and maximise potential benefits for the Council. Additionally, a small number of participants is envisaged which could cause no opportunity to negotiate fees or conditions.



(f) **Consultation and communication**

None required.

(g) **Community Safety**

No community safety implications.

**5. Background Papers**

5.1 None were used in preparing this report.

**6. Inspection of Papers**

6.1 If you have any queries about this report please contact:

Author's Name:	Stephen Bevis
Author's Phone Number:	01223 - 458153
Author's Email:	stephen.bevis@cambridge.gov.uk

This page is intentionally left blank

<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL</b> <b>(Executive Councillor for Finance and Resources)</b></p>
---

## **ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT REPORT 2015/16 TO 2017/18**

The Council is required by regulations issued under the Local Government Act 2003, to produce an Annual Treasury Management Strategy Report.

The report complied with the CIPFA Code of Practice on Treasury Management (February 2011) and the CIPFA Prudential Code for Capital Finance in Local Authorities (May 2013 edition).

The report also included any changes to the prudential & treasury indicators, since they were last reported within the Mid-Year Financial Review (MFR), to Council, on 6<sup>th</sup> November 2014.

The Strategy and Resources Scrutiny Committee considered recommendation i) and endorsed it by 5 votes to 0.

The Strategy and Resources Scrutiny Committee considered recommendation ii) and endorsed it unanimously.

The Strategy and Resources Scrutiny Committee considered recommendation iii) and endorsed it by 5 votes to 0.

### **Accordingly, Council is recommended:**

To approve:

- i. The Annual Borrowing Statement at Paragraph 3.2 of the officer's report, the Council's Minimum Revenue Provision (MRP) Policy at Paragraph 3.3 of the officer's report and the Council's Annual Investment Strategy as contained within Paragraph 6 of the officer's report.

- ii. An amendment to counterparty limits as follows (which puts these financial instruments in line with the other products in use):

<b>Name</b>	<b>Recommended Limit (£)</b>
Supranational Bonds - AAA	15m
UK Government Treasury Bills	15m
UK Government Gilts	15m

- iii. Changes to the estimated Prudential & Treasury Indicators for 2014/15 to 2017/18, inclusive, as set out in Appendix D of the officer's report.



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

Report by: Caroline Ryba – Head of Finance & S151 Officer

Relevant scrutiny committee: Strategy & Resources  
19/01/2015  
Scrutiny  
Committee

Wards affected: All Wards

## **ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT REPORT 2015/16 TO 2017/18**

### **Key Decision**

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

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, to produce an Annual Treasury Management Strategy Report.
- 1.2 This report complies with the CIPFA Code of Practice on Treasury Management (February 2011) and the CIPFA Prudential Code for Capital Finance in Local Authorities (May 2013 edition).
- 1.3 This report includes any changes to the prudential & treasury indicators, since they were last reported within the Mid-Year Financial Review (MFR), to Council, on 6<sup>th</sup> November 2014.

#### **2. Recommendations**

- 2.1 The Executive Councillor is asked to recommend to Council the Annual Borrowing Statement at paragraph 3.2, the Council's Minimum Revenue Provision (MRP) Policy at paragraph 3.3 and the Council's Annual Investment Strategy as contained within paragraph 6.
- 2.2 Following a recent review, the Executive Councillor is asked to recommend to Council an amendment to counterparty limits, which puts these financial instruments in line with the other products in use. A revised limit of £15m each is recommended and has been updated within Appendix A, as follows:-

<b>Name</b>	<b>Recommended Limit (£)</b>
Supranational Bonds - AAA	15m
UK Government Treasury Bills	15m
UK Government Gilts	15m

2.3 The Executive Councillor is also asked to recommend to Council changes to the estimated Prudential & Treasury Indicators for 2014/15 to 2017/18, inclusive, as set out in Appendix D.

### **3. Background**

#### **3.1 Treasury Management Activities**

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

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

#### **3.2 Borrowing Policy**

##### **Borrowing Policy Statement**

The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1<sup>st</sup> April 2004.

The borrowing requirement as highlighted in the paragraph below may be met through internal borrowing (for example utilising 'earmarked reserves' set aside for future use) as an alternative to using external borrowing.

The Council anticipates borrowing £2.804m within the General Fund during 2015/16 and £10.821m for the HRA (£6.446m during 2016/17 and £4.375m during 2017/18). This anticipated borrowing is for the Clay Farm Community Centre and the Affordable Housing Projects,

respectively. These schemes are contained within the Council's Capital Programme.

### Current Debt as at 31<sup>st</sup> March 2014

The table below shows the Council's current outstanding debt and headroom (the amount of additional borrowing that is possible without breaching the Authorised Borrowing Limit):-

	Principal (£)
Authorised Borrowing Limit (A) (Agreed by Council on 20 <sup>th</sup> October 2011)	250,000,000
HRA Debt Limit (B)	230,839,000
2011/12 Borrowing (for HRA Self-Financing, C)	213,572,000
General Fund Headroom (A minus B)	19,161,000
HRA Headroom (B minus C)	17,267,000
2012/13 Borrowing	NIL
2013/14 Borrowing	NIL
2014/15 Borrowing	NIL
Total Current Headroom (A minus C)	36,428,000

At present the only debt held by the authority relates to the twenty loans from PWLB for self-financing the HRA. These are shown in the table, below:-

Loan Ref:	Start Date	Principal (£)	Interest	Maturity Date	Term (Years)
1	28-Mar-12	10,678,600	3.46%	28-Mar-38	26
2	28-Mar-12	10,678,600	3.47%	28-Mar-39	27
3	28-Mar-12	10,678,600	3.48%	28-Mar-40	28
4	28-Mar-12	10,678,600	3.49%	28-Mar-41	29
5	28-Mar-12	10,678,600	3.50%	28-Mar-42	30
6	28-Mar-12	10,678,600	3.51%	28-Mar-43	31
7	28-Mar-12	10,678,600	3.52%	28-Mar-44	32
8	28-Mar-12	10,678,600	3.52%	28-Mar-45	33
9	28-Mar-12	10,678,600	3.52%	28-Mar-46	34
10	28-Mar-12	10,678,600	3.52%	28-Mar-47	35
11	28-Mar-12	10,678,600	3.53%	28-Mar-48	36
12	28-Mar-12	10,678,600	3.53%	28-Mar-49	37
13	28-Mar-12	10,678,600	3.53%	28-Mar-50	38

<b>Loan Ref:</b>	<b>Start Date</b>	<b>Principal (£)</b>	<b>Interest</b>	<b>Maturity Date</b>	<b>Term (Years)</b>
14	28-Mar-12	10,678,600	3.53%	28-Mar-51	39
15	28-Mar-12	10,678,600	3.52%	28-Mar-52	40
16	28-Mar-12	10,678,600	3.52%	28-Mar-53	41
17	28-Mar-12	10,678,600	3.51%	28-Mar-54	42
18	28-Mar-12	10,678,600	3.51%	28-Mar-55	43
19	28-Mar-12	10,678,600	3.51%	28-Mar-56	44
20	28-Mar-12	10,678,600	3.50%	28-Mar-57	45
	<b>Total:-</b>	<b>213,572,000</b>	-	-	

This debt was financed entirely by fixed rate maturity loans which were in line with the assumptions made within the HRA's 30 year Business Plan.

There are plans to utilise HRA reserves to repay debt, around the first maturity (on 28<sup>th</sup> March 2038), the detail of which has been previously highlighted as part of the HRA's Budget Setting Reports and 30 year Business Plan.

### 3.3 Minimum Revenue Provision Policy

This provision for the repayment of debt is known as the Minimum Revenue Provision (MRP). The Council has not assigned any MRP for its un-financed capital expenditure for the Clay Farm Community Centre, as it is expecting Developer Contributions and anticipated Capital Receipts, that will off-set this sum i.e. £2.804m. The Council will 'internally borrow' (as described in paragraph 3.2) in the preceding period, until these receipts have been received. Additionally, there is no requirement to allow for MRP until this asset becomes operational. This will be continually reviewed with any future Treasury Strategy Reports updated.

A MRP does not extend to housing assets. However, the Council anticipates borrowing £6.446m during 2016/17 & £4.375m during 2017/18 for the HRA (the Affordable Housing Projects) and is required to charge depreciation instead (due to Housing Reform from April 2012) on its housing assets. This will have a revenue impact. Any adverse impacts will be addressed through regulations that will allow the Major Repairs Allowance (MRA) to be used as a proxy for depreciation, for the first five years.



### 3.4 The Council's Capital Expenditure and Financing 2014/15 to 2017/18

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.

Details on capital expenditure forms one of the required prudential indicators. The table below shows the proposed capital expenditure and how it will be financed. It also includes any re-phasing during 2014/15 and conforms to the agreed Capital Plan.

	<b>2014/15 Probable Outturn £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
General Fund Capital Expenditure	19,792	22,221	2,353	3,170
HRA Capital Expenditure	37,955	27,876	32,065	28,398
<b>Total Capital Expenditure</b>	<b>57,747</b>	<b>50,097</b>	<b>34,418</b>	<b>31,568</b>
Resourced by:				
• Capital receipts	8,431	7,760	5,605	5,207
• Other contributions (i.e. grants, developer contributions and revenue contributions)	49,316	39,533	22,367	21,986
<b>Total available resources for financing capital expenditure</b>	<b>57,747</b>	<b>47,293</b>	<b>27,972</b>	<b>27,193</b>
<b>Un-financed capital expenditure</b>	<b>0</b>	<b>2,804*</b>	<b>6,446*</b>	<b>4,375*</b>

\*£2.804m (Clay Farm Community Centre, 2015/16), £10.821m in total (for Affordable Housing Projects, with £6.446m in 2016/17 & £4.375m in 2017/18)

#### 4. The Public Works Loans Board (PWLB) Certainty Rate

The Government announced in 2012 that a 0.20% discount on loans from the PWLB would apply to eligible local authorities.

Eligibility for this discount rate will be available to English, Scottish and Welsh local authorities operating the CIPFA Prudential Code (such as this Authority) and the discount rate will be available from 1<sup>st</sup> November 2012 until 31<sup>st</sup> October 2015 on 'new' borrowing.

Further to this Council's application, the Department for Communities and Local Government (DCLG) has approved our eligibility, and therefore we can use the preferential PWLB interest rate during the dates as highlighted, above.

#### 5. The Council's Prudential and Treasury Management Indicators

The Council's Prudential and Treasury Management Indicators are as follows:-

<b>Capital Financing Requirement &amp; Cumulative External Borrowing</b>	<b>2014/15 Probable Outturn £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
General Fund Capital Financing Requirement	1,161	3,965	3,965	3,965
HRA Capital Financing Requirement	214,748	214,748	221,194	225,569
<b>Total Capital Financing Requirement</b>	<b>215,909</b>	<b>218,713</b>	<b>225,159</b>	<b>229,534</b>
<b>Movement in the Capital Financing Requirement</b>	<b>0</b>	<b>2,804*</b>	<b>6,446*</b>	<b>4,375*</b>
Estimated External Gross Debt/Borrowing (Including HRA Reform)	213,572	216,376	222,822	227,197
Authorised Limit for External Debt	250,000	250,000	250,000	250,000
Operational Boundary for External Debt	215,909	218,713	225,159	229,534

\*£2.804m (Clay Farm Community Centre, 2015/16) & £10.821m (Affordable Housing Project, with £6.446m in 2016/17 & £4.375m in 2017/18)

## **6. Annual Investment Strategy**

### **6.1 Introduction**

The Council manages its deposits in-house and uses Capita as its independent Treasury Adviser.

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

1. The **S**ecurity of capital;
2. The **L**iquidity of deposits; and;
3. The **Y**ield or return on its deposits.

The Council also takes a cautious approach within its Treasury Management Strategy. However, due to the worsening market conditions, counterparty limits and the extension of financial instruments have been increased at Council on 24<sup>th</sup> July 2014, to maintain yield levels with no compromise to risk. The increases which were agreed by Council on the above date are summarised below:-

- Increased Counterparty limits to £20m (£30m for a Banking Group);
- Increased the limits for longer term deposits to £30m;
- Included Other Building Societies on Counterparty list;
- Included the Municipal Bonds Agency on Counterparty list;
- Included suggested foreign banks on Counterparty list; and;
- Included deposits in the CCLA Local Authorities' Property Fund

The detailed counterparty list with limits is shown within Appendix A.

#### **Other UK Building Societies**

Additionally, Appendix B has been updated showing the following asset values and deposit limits for Building Societies. These values were deemed to be the most prudent minimum levels to use for this sector. The limits below clarify how our intended deposits with Other UK Building Societies will apply in practice:-

1. Asset value greater than (>) £5,000m – £2m limit;
2. Asset value > £50,000m - £5m limit; and;
3. Asset value > £100,000m - £20m limit.

## 6.2 Other Authorised Financial Instruments Currently Available

### **Custodian of Funds**

Customers can purchase gilts, treasury bills and certificates of deposit from them, and obtain a better interest return, and not compromising the risk of using these financial products. This Council would only deal with Custodian's that are AAA rated.

### **Certificates of Deposit (CDs)**

These are certificates issued by a bank to raise funds. They offer a higher rate of return at low risk, particularly if deposits are longer term.

### **Money Market Funds (MMF)**

These are funds managed by Fund Managers for a range of counterparties, which spread the risk for the Council. The resources available to the MMF are pooled (thus increasing cash available for deposit), which means the Council will obtain a higher rate of interest return than other deposits. The Council only deposits in MMFs that are rated AAA. The Council has commenced using a MMF portal which further diversifies our ability to use these funds.

### **Municipal Bonds Agency (MBA)**

On 24<sup>th</sup> July 2014, the full Council agreed to place an initial deposit of £50,000 with the MBA. The Council is awaiting confirmation from the MBA when this payment is to be made. Furthermore, this will entitle the Council to obtain favourable borrowing rates in the future.

### **Charities, Churches and Local Authorities' Property Fund (CCLAPF)**

Also, on 24<sup>th</sup> July 2014, the full Council agreed to deposit £10 million with the CCLA Local Authorities' Property Fund. The Council has now had confirmation that our account is open to use and it is expected that the deposit will be made by 29<sup>th</sup> January 2015.

## 6.3 Creditworthiness Policy

This Council uses the creditworthiness service provided by Capita (which is highlighted within Appendix A – Current Counterparty List). This service uses a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's

and Standard & Poor's. However, the Council does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:-

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings i.e. akin to an insurance policy whereby counterparties enter into a contractual agreement; and;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

## **7. Deposits**

The Council's balances, both earmarked and un-earmarked, have generally increased during the last year mainly as a result of Housing Reform. It is anticipated, however, that these reserves will be utilised to fund the Council's strategic plans. Also, changes to the regulations means the Council does not pay a subsidy into the National Pool, allowing its rents to be kept. An analysis of the sources of the Council's deposits is shown at Appendix B.

## **8. Interest Receipts**

- 8.1 Counterparty limits being increased and a deposit in the CCLA Local Authorities' Property Fund, as discussed in paragraph 6.1, will increase the Council's interest receipts (estimated at around £389,000 pa, with approximately £250,000 contributing towards the General Fund and £139,000 going towards the HRA). This will contribute significantly to the Council's savings targets.

## **9. Interest Rates and Treasury Limits**

### **9.1 Interest Rate Update provided by Capita**

Capita Asset Services is the Council's independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of interest rates on treasury management issues for the Council. Capita's opinion on interest rates is presented at Appendix C, and confirms those currently predicted by the Bank of England's Monetary Policy Committee.

## **10. Implications**

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

The prudential and treasury indicators have been amended to take account of known financial activities. Higher interest receipts have been achieved due to the revisions to the Council's Counterparty list agreed by Council on 24<sup>th</sup> July 2014.

- (b) **Staffing Implications**  
None.
- (c) **Equal & Poverty Implications**  
No negative impacts identified.
- (d) **Environmental Implications**  
None.
- (e) **Procurement**  
None.
- (f) **Consultation and communication**  
None required.
- (g) **Community Safety**  
No community safety implications.

## **11. Background Papers**

11.1 None were used in preparing this report.

## **12. Appendices**

- 12.1 Appendix A – The Council's current Counterparty list
- Appendix B – Sources of the Council's Deposits
- Appendix C – Capita's opinion on UK Forecast Interest Rates
- Appendix D – Prudential and Treasury Management Indicators
- Appendix E – Glossary of Terms and Abbreviations

## **13. Inspection of Papers**

13.1 If you have any queries about this report please contact:

Author's Name:	Stephen Bevis
Author's Phone Number:	01223 - 458153
Author's Email:	stephen.bevis@cambridge.gov.uk

## Treasury Management Annual Investment Strategy

### Current Counterparty List

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

Name	Council's Current Deposit Period	Category	Limit (£)
<b>Specified Investments:-</b>			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
All UK Nationalised Industries	N/A	Nationalised Industry	20m
Debt Management Account Deposit Facility	N/A	DMADF	Unlimited
Barclays Bank Plc	Using Capita's Credit Criteria	UK Bank	20m
HSBC Bank Plc	Using Capita's Credit Criteria	UK Bank	25m
Standard Chartered Bank	Using Capita's Credit Criteria	UK Bank	20m
Bank of Scotland Plc (BoS)	Using Capita's Credit Criteria	UK Nationalised Bank	20m
Lloyds TSB Bank Plc	Using Capita's Credit Criteria	UK Nationalised Bank	20m
National Westminster Bank Plc (NWB)	Using Capita's Credit Criteria	UK Nationalised Bank	20m
Santander UK Plc	Using Capita's Credit Criteria	UK Bank	5m
The Royal Bank of Scotland Plc (RBS)	Using Capita's Credit Criteria	UK Nationalised Bank	20m
Members of a Banking Group (BoS Group includes Lloyds, RBS Group includes NWB)	Using Capita's Credit Criteria	UK Nationalised Bank	30m

Name	Council's Current Deposit Period	Category	Limit (£)
Deutsche Bank	Using Capita's Credit Criteria	Non-UK Bank	5m
Svenska Handelsbanken	Using Capita's Credit Criteria	Non-UK Bank	5m
Money Market Funds	Liquid Rolling Balance	Financial Instrument	15m (in total, per fund)
Custodian of Funds	Requirement for Undertaking Financial Instruments	Fund Managers	Up to 15m (per single counterparty)
UK Government Treasury Bills	Up to 6 months	Financial Instrument	<b>15m</b>
<b>Non-Specified Investments:-</b>			
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 30m
CCLA Local Authorities' Property Fund*	Minimum of 5 years	Pooled UK Property Fund	Up to 10m
Certificates of Deposit (with UK Banking Institutions)	Liquid Rolling Balance	Financial Instrument	15m (per single counterparty)
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Municipal Bonds Agency*	N/A	Pooled Financial Instrument Facility	50,000
Supranational Bonds – AAA	Using Capita's Credit Criteria	Multi-lateral Development Bank Bond	<b>15m</b>
UK Government Gilts	Over 1 year & up to 30 Years	Financial Instrument	<b>15m</b>
<b>Other Specified Investments - UK Building Societies:-</b>			
Name	Council's Current Deposit Period	Asset Value (£'m)	Limit (£)
Nationwide Building Society	1 month or in line with Capita's Credit Criteria, if longer	188,889	Assets greater than £100,000m - £20m
Yorkshire Building Society		34,853	
Coventry Building Society		27,843	
Skipton Building Society		14,054	Assets between £50,000m and
Leeds Building Society		11,231	



Name	Council's Current Deposit Period	Category	Limit (£)
Principality Building Society		6,933	£99,999m - £5m
West Bromwich Building Society		5,630	Assets between £5,000m and £49,999m - £2m

\*These have been included within the Non-Specified Investments category and also shown within the detailed Treasury Management Practices (TMPs) document (to represent recent counterparty changes as agreed by Council on 06/11/2014.)

**Sources of the Council's Deposits.**

Local authorities are free to deposit surplus funds not immediately required in order to meet the costs of providing its services. The Council deposits amounts set aside in its general reserves and earmarked reserves, for example the funds set aside for major repairs to, and the replacement of its property, vehicles and equipment.

The interest earned on these deposits is credited to the General Fund and Housing Revenue Account respectively and helps to fund the cost of providing services. This currently amounts to around £0.7m each year based on current deposit and interest rate levels.

At 1<sup>st</sup> April 2014, the Council had deposits of £82.957m. The table below provides a sources breakdown of the funds deposited at that date:-

<b>Funds Deposited as at 1 April 2014</b>	<b>£'000</b>	<b>£'000</b>
Working capital		5,405
General Fund:		
General Reserve	9,176	
Asset Renewal Reserves	14,083	
Other Earmarked Reserves	9,860	33,119
Housing Revenue Account (HRA):		
General Reserve	8,881	
Asset Renewal Reserves	2,392	
Major Repairs Reserve	4,920	
Other Earmarked Reserves	1,929	
Capital Financing Requirement (Including HRA Reform)	(215,909)	
PWLB Borrowing for HRA Reform	213,572	15,785
Capital:		
Capital Contributions Unapplied	11,056	
Usable Capital Receipts	17,592	28,648
<b>Total Deposited</b>		<b>82,957</b>

**Source:- Audited Statement of Accounts 2013/14**

The HRA accounts for around 50% of reserves deposited.

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

### Introduction

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

### Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) kept the bank rate at 0.5% and Quantitative Easing (QE) at £375bn during 2014/15. Going-forward, the Council's treasury advisor, Capita, has provided the following interest rate forecasts issued on 24<sup>th</sup> October 2014:-

	Now	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Mar-18
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.50%
<b>3 month LIBID</b>	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.30%	1.40%	1.60%	1.90%	2.10%	2.10%	2.60%
<b>6 month LIBID</b>	0.65%	0.70%	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.80%	2.00%	2.20%	2.30%	2.80%
<b>12 month LIBID</b>	0.93%	0.90%	1.00%	1.20%	1.30%	1.40%	1.70%	1.80%	2.10%	2.20%	2.30%	2.40%	3.00%
<b>5yr PWLB rate</b>	2.40%	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%
<b>10yr PWLB rate</b>	3.00%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%
<b>25yr PWLB rate</b>	3.70%	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	5.00%
<b>50yr PWLB rate</b>	3.70%	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	5.00%

Capita's interest rate forecast is for the first increase in the bank rate to be in June 2015. With higher growth predictions and lower un-employment forecasts for the U.K, are the main reasons for this change in interest rates overall.

## PRUDENTIAL &amp; TREASURY MANAGEMENT INDICATORS

	Probable 2014/15 £'000	Estimate 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000
<b>PRUDENTIAL INDICATORS</b>				
<b>Capital expenditure</b>				
- General Fund	19,792	22,221	2,353	3,170
- HRA	37,955	27,876	32,065	28,398
<b>Total</b>	<b>57,747</b>	<b>50,097</b>	<b>34,418</b>	<b>31,568</b>
<b>Incremental impact of capital deposit decisions on:</b>				
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
<b>Capital Financing Requirement (CFR) as at 31 March</b>				
- General Fund	1,161	3,965	3,965	3,965
- HRA	214,748	214,748	221,194	225,569
<b>Total</b>	<b>215,909</b>	<b>218,713</b>	<b>225,159</b>	<b>229,534</b>
<b>Change in the CFR</b>	0	2,804	6,446	4,375
<b>Deposits at 31 March</b>	97,600	104,000	113,400	124,500
<b>External Gross Debt</b>	213,572	216,376	222,822	227,197
<b>Ratio of financing costs to net revenue stream</b>				
-General Fund	(3.15%)	(3.66%)	(5.48%)	(6.50%)
-HRA	18.45%	18.13%	18.65%	15.91%
<b>Total</b>	<b>15.30%</b>	<b>14.47%</b>	<b>13.17%</b>	<b>9.41%</b>

## PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Probable 2014/15 £'000	Estimate 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000
<b>TREASURY INDICATORS</b>				
<b>Authorised limit</b>				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
<b>Total</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
HRA Debt Limit	230,839	230,839	230,839	230,839
<b>Operational boundary</b>				
for borrowing	215,909	218,713	225,159	228,307
for other long term liabilities	0	0	0	0
<b>Total</b>	<b>215,909</b>	<b>218,713</b>	<b>225,159</b>	<b>229,534</b>
<b>Upper limit for total principal sums deposited for over 364 days</b>	40,000	40,000	40,000	40,000
<b>Upper limit for fixed &amp; variable interest rate exposure</b>				
Net interest on fixed rate borrowing/deposits	7,003	6,708	7,329	7,639
Net interest on variable rate borrowing/deposits	(23)	(23)	(23)	(23)
<b>Maturity structure of new fixed rate borrowing</b>		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
Certificates of Deposit (CDs)	Low risk certificates issued by banks which offer a higher rate of return
CIPFA	Chartered Institute of Public Finance and Accountancy
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
External Gross Debt	Long-term liabilities including Private Finance Initiatives and Finance Leases
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing account where a council acts as landlord
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
Liquidity	A measure of how readily available a deposit is
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate

<b>Term</b>	<b>Definition</b>
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed
PWLB	Public Works Loans Board - an Executive Government Agency of HM Treasury from which local authorities & other prescribed bodies may borrow at favourable interest rates
Security	A measure of the creditworthiness of a counter-party
Specified Investments	Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multi-lateral Development Bank Bond
UK Government Gilts	Longer-term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury
Yield	Interest, or rate of return, on an investment

This page is intentionally left blank



<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL</b> <b>(Executive Councillor for Housing)</b></p>
---

## **2015/16 Housing Revenue Account Budget Setting Report**

The report referred to the 2015/16 budget process, the range of assumptions upon which the Housing Revenue Account (HRA) Business Plan and Mid-Year Financial Review were based, were reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.

The Housing Scrutiny Committee considered and approved the recommendations by 5 votes to 0, with 2 abstentions.

**Accordingly, Council is recommended to:**

### **Treasury Management**

- i. Retain the existing approach to treasury management, setting-aside a proportion of the surpluses generated over the life of the Business Plan to allow for potential debt redemption, but re-investing up to 75% of the surplus generated in the acquisition or development of new affordable housing, as outlined in Section 6 of the HRA Budget Setting Report.

### **Housing Capital**

- ii. Approve capital bids, shown in Appendix D (2) of the HRA Budget Setting Report, to include ear-marking resource for the implementation of both a new sub-regional choice based lettings IT system, and the software required to facilitate customer access to elements of the housing management information system, subject to each project demonstrating viability.
- iii. Approve of amendment to the Decent Homes Programme investment, recognising the financial implications of a change in the assumed life for UPVC window replacements, from 25 years, to the 40 years required as part of the Decent homes Standard.

- iv. Approve re-allocation of £976,000 of resource in 2015/16 and 2017/18, originally included in previous years for works to communal areas, into the budget for garage improvement works, to allow the authority to undertake major works to some of the larger garage blocks should there be a financially viable business case for investment. The decision to proceed with works following the preparation of each business case shall be delegated to the Director of Customer & Community Services, in consultation with the Executive Councillor, Chair of Housing Scrutiny Committee (Part 2) and the Opposition Spokespersons.
- v. Approve the latest budget and funding mix for each of the schemes in the 2011-15 new build programme, as detailed in Section 5 and Appendix F of the HRA Budget Setting Report, recognising the most up to date information available as each scheme progresses through the design, planning, build contract and completion process.
- vi. Approve gross funding of £7,008,000 for the development of the affordable housing project on the Homerton site, in line with the scheme specific report being presented to Housing Scrutiny Committee on 14th January 2015, which assumes 75% affordable rented and 25% shared ownership housing.
- vii. Approved to earmark the required level of additional funding for new build investment between 2015/16 and 2019/20 to ensure that the anticipated level of future retained right to buy receipts can be appropriately utilised.
- viii. Approve re-direction of existing resource, previously identified as Cambridge Standard Investment, to create a new City Homes Estate Improvement Programme, with a view to increasing the future level of investment in this area, as part of the Fundamental Review of the HRA and Housing Service, which will take place during 2015.
- ix. Approved of the revised Housing Capital Investment Plan as shown in Appendix I of the HRA Budget Setting Report.
- x. Approve a provisional addition to the Housing Capital Allowance of £29,151,000 in respect of anticipated qualifying expenditure in 2015/16.



To: Executive Councillor for Housing: Councillor Kevin Price

Report by: Liz Bisset, Director of Customer & Community Services

Relevant scrutiny committee: Housing 14/1/2015  
Scrutiny Committee

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

## 2015/16 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT

### Key Decision

---

#### 1. Executive summary

- 1.1 As part of the 2015/16 budget process, the range of assumptions upon which the HRA Business Plan and Mid-Year Financial Review were based, were reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.
- 1.2 The HRA Budget-Setting Report provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals, and is the basis for the finalisation of the 2015/16 budgets.
- 1.3 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report.
- 1.4 The HRA Budget Setting Report is presented to this meeting of the Housing Scrutiny Committee on 14<sup>th</sup> January 2015, to allow consideration and scrutiny of proposals for both the review of rents and service charges and the revenue bids and savings, which form part of the HRA budget. The Executive Councillor for Housing will approve the final HRA revenue budget, after consideration of any budget amendments for the Housing Revenue Account.

- 1.5 The Housing Scrutiny Committee will also consider and scrutinise the Housing Capital Investment Plan, including capital bids and all associated funding proposals, prior to the Executive Council for Housing making final capital recommendations for approval at Council on 26th February 2015.

## **2. Recommendations**

The Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee, to:

### **Review of Rents and Charges**

- a) Approve that council dwellings rents be increased in line with government guidelines, ceasing any move towards target rents for existing tenants, but instead applying an individual increase of 2.2% across all tenure, made up of inflation (CPI at September 2014 of 1.2%) plus 1%, with effect from 6th April 2015. This equates to an average rent increase at the time of writing this report of £2.18 per week on a 52 week basis.
- b) Approve inflationary increases of 2% in garage and parking space rents for 2015/16, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report.
- c) Approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.
- d) Approve the proposed leasehold administration charges for 2015/16 as detailed in Appendix B of the HRA Budget Setting Report.
- e) Approve that service charges for gas maintenance, door entry systems, lifts and electrical and mechanical maintenance are increased by a maximum of inflation at 1.2% plus 1%, if required, to continue to recover full estimated costs as detailed in Appendix B of the HRA Budget Setting Report.
- f) Approve that caretaking, communal cleaning, estate services, grounds maintenance, window cleaning, temporary housing premises and utilities, sheltered scheme premises and utilities, digital television aerial, flat cleaning and catering charges continue to be recovered at full cost, as detailed in Appendix B of the HRA Budget Setting Report.

## **Revenue – HRA**

Revised Budget 2014/15:

- g) Approve with any amendments, the Revised Budget identified in Section 4 of the HRA Budget Setting Report, which reflects a net reduction in the use of HRA reserves for 2014/15 of £1,084,630.
- h) Approve the release of a net sum of £823,400, previously held within HRA repairs and renewals funds back into general HRA reserves, following a fundamental review of both the inventories and existing funds held.
- i) Approve release of the ear-marked reserves of £389,960 previously held for the purpose of meeting additional pension fund contributions into general HRA reserves, to allow alternative future use.

Budget 2015/16:

- j) Approve with any amendments, the Non-Cash Limit items shown in Appendix D (1) of the HRA Budget Setting Report.
- k) Approve with any amendments, the Unavoidable Revenue Bids and Savings, including those associated with organisational transformation, shown in Appendix D (1) of the HRA Budget Setting Report.
- l) Approve with any amendments, the Priority Policy Fund (PPF) Bids shown in Appendix D (1) of the HRA Budget Setting Report.
- l) (i) Approve the resulting Housing Revenue Account revenue budget as summarised in the Housing Revenue Account Summary Forecast 2014/15 to 2019/20, shown in Appendix H of the HRA Budget Setting Report.

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

## **Treasury Management**

- m) Retain the existing approach to treasury management, setting-aside a proportion of the surpluses generated over the life of the Business Plan to allow for potential debt redemption, but re-investing up to 75% of the surplus generated in the acquisition or development of new

affordable housing, as outlined in Section 6 of the HRA Budget Setting Report.

## **Housing Capital**

- n) Approval of capital bids, shown in Appendix D (2) of the HRA Budget Setting Report, to include ear-marking resource for the implementation of both a new sub-regional choice based lettings IT system, and the software required to facilitate customer access to elements of the housing management information system, subject to each project demonstrating viability.
- o) Approval of amendment to the Decent Homes Programme investment, recognising the financial implications of a change in the assumed life for UPVC window replacements, from 25 years, to the 40 years required as part of the Decent homes Standard.
- p) Approval of re-allocation of £976,000 of resource in 2015/16 and 2017/18, originally included in previous years for works to communal areas, into the budget for garage improvement works, to allow the authority to undertake major works to some of the larger garage blocks should there be a financially viable business case for investment. The decision to proceed with works following the preparation of each business case shall be delegated to the Director of Customer & Community Services, in consultation with the Executive Councillor, Chair of Housing Scrutiny Committee (Part 2) and the Opposition Spokespersons.
- q) Approval of the latest budget and funding mix for each of the schemes in the 2011-15 new build programme, as detailed in Section 5 and Appendix F of the HRA Budget Setting Report, recognising the most up to date information available as each scheme progresses through the design, planning, build contract and completion process.
- r) Approval of gross funding of £7,008,000 for the development of the affordable housing project on the Homerton site, in line with the scheme specific report being presented to Housing Scrutiny Committee on 14<sup>th</sup> January 2015, which assumes 75% affordable rented and 25% shared ownership housing.
- s) Approval to earmark the required level of additional funding for new build investment between 2015/16 and 2019/20 to ensure that the anticipated level of future retained right to buy receipts can be appropriately utilised.

- t) Approval of re-direction of existing resource, previously identified as Cambridge Standard Investment, to create a new City Homes Estate Improvement Programme, with a view to increasing the future level of investment in this area, as part of the Fundamental Review of the HRA and Housing Service, which will take place during 2015.
- u) Approval of the revised Housing Capital Investment Plan as shown in Appendix I of the HRA Budget Setting Report.
- v) Approve a provisional addition to the Housing Capital Allowance of £29,151,000 in respect of anticipated qualifying expenditure in 2015/16.

### **3. Implications**

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

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

The financial implications associated with decisions are outlined in the HRA Budget Setting Report 2015/16, appended to this report, for consideration by both Housing Scrutiny Committee and Council.

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

Any direct staffing implications are outlined in the HRA Budget Setting Report 2015/16, appended to this report.

#### **(c) Equality and Poverty Implications**

Equality Impact Assessments have been undertaken in respect of each budget proposal where any impact (positive or negative) is anticipated. All of the assessments are available to view on the Council's website, whilst a consolidated Impact Assessment is presented at Appendix J of the HRA Budget Setting Report.

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

Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2015/16, appended to this report.

(e) **Procurement**

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

(f) **Consultation and communication**

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process. The views of tenants and leaseholders, in respect of investment priorities, were sought as part of the 2014 STAR tenants and leaseholder survey, and the outcome has informed this budget process.

(g) **Community Safety**

Any community safety implications are outlined in the HRA Budget Setting Report 2015/16, appended to this report.

#### **4. Background papers**

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

Housing Revenue Account Budget Setting Report 2014/15  
Housing Revenue Account Mid-Year Financial Review 2014/15  
Equalities Impact Assessments

#### **5. Appendices**

The Housing Revenue Account Budget Setting Report 2015/16 is appended to this report.

#### **6. Inspection of papers**

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

Author's Name: Julia Hovells  
Author's Phone Number: 01223 - 457822  
Author's Email: [julia.hovells@cambridge.gov.uk](mailto:julia.hovells@cambridge.gov.uk)



Version 3  
Council

# Housing Revenue Account Budget Setting Report 2015/16



February  
2015

# Version Control

	Version	for :	Anticipated Content
	1	Draft	Draft content for consultation
Current	2	Housing Scrutiny Committee 14 January 2015	Member Scrutiny Tenant and Leaseholder Representative Input Amendments to Executive proposals Opposition budget amendment proposals
	3	Council Meeting 26 February 2015	The Executive Councillor for Housing's recommended final budget proposals
	4	FINAL	Final version for publication following Council

Cambridge City Council

# Housing Revenue Account Budget

## Setting Report

2015/16 to 2019/20

## Contents

Section No.	Topic	Page No.
1	Introduction	1
	Background	1
	Purpose, Scope and Key Dates	2
2	Review of National and Local Policy and Context	5
	Review of National Policy Context	5
	Review of Local Policy Context	11
	External Factors	20
3	Housing Revenue Account Resources	23
	Rent	23
	Service Charges	28
	Other Sources of Income	29
	Other External Funding	31
	Ear-Marked and Specific Funds	31
4	Housing Revenue Account Budget	36
	Post-HRA Business Plan Update Approvals	36
	Revised Budget 2013/14	37
	Overall Budget Position and Priority Policy Fund (PPF)	38
5	Housing Capital Budget	42

Section No.	Topic	Page No.
	Stock Condition and Decent Homes	42
	New Build Affordable Housing	43
	Asset Disposals and Acquisitions	49
	Capital Bids	51
6	HRA Treasury Management	53
	Background	53
	Current HRA Borrowing	53
	Future Borrowing	54
	Debt Repayment / Re-Investment	56
	Treasury Management Summary	59
7	Summary and Overview	61
	Equality Impact Assessment, Uncertainties and Risk	61
	HRA Reserves	62
	Financial Assumptions and Sensitivity	63
	Options and Conclusions	63

# Appendices

Reference	Topic	Page No.
A	Business Planning Assumptions	66
B	Service Charges	69
C	HRA Ear-Marked & Specific Funds	72
D (1)	HRA Budget – All Revenue Items	74
D (2)	HRA Budget – All Capital Items	85
E	Key Risk Analysis	86
F	New Build Cash-flow Investment Profile	89
G	Sensitivity Analysis	92
H	HRA Summary Forecast 2014/15 to 2019/20	93
I	Housing Capital Investment Plan – 2014/15 to 2019/20	95
J	HRA Budget Equalities Impact Assessment	100



# Section 1

## Introduction

### Background

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

The level of funding available to invest in housing services is dependent upon anticipated income streams for the Housing Revenue Account, with the most significant of these being the rental income for the housing stock. The authority has the ability to set rents at a local level, although it does need to be recognised that the government still issues guidance for setting rents, which local authorities are expected to adhere to.

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

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

To achieve this, it is imperative that the organisation sets budgets for the medium term in the context of the longer-term impact of the financial viability of the Housing Revenue Account 30-Year Business Plan and Asset Management Plan

A key feature of the 30-Year Business Plan is the requirement to support, and potentially repay, a significant level of housing debt whilst also ensuring ongoing delivery of quality housing services. As at April 2014, the authority was supporting a housing debt of £214,748,250. The level of debt supported by the Housing Revenue Account is expected to increase to allow for the delivery of new affordable housing, until the current debt cap of £230,839,000 is reached.

## Purpose, Scope and Key Dates

### **Purpose**

Following scrutiny and debate at Housing Scrutiny Committee on 30<sup>th</sup> September 2014, the Executive Councillor for Housing approved the revenue aspects of the HRA Mid-Year Financial Review for 2013/14. At its meeting on 6 November 2014, the Council considered the capital aspects of the document. The mid-year review of factors affecting the housing service took into consideration emerging changes in both local and national policy priorities and the implications of anticipated changes in the current economic climate. The approved HRA Mid-Year Financial Review set out the agreed financial strategy for the HRA, and confirmed the framework for the detailed budget work to develop proposals for the 2015/16 budget.

As part of the preparation of the HRA Budget Setting Report, the range of assumptions on which the HRA Mid-Year Financial Review was based, were reviewed in light of the latest information available to determine whether any aspects of the strategy needed to be revised.

The outcome of the exercise, summarised in this document, provides the basis for the finalisation of the HRA budget and setting of rents for 2015/16, culminating in



recommendations to both Housing Scrutiny Committee on 14<sup>th</sup> January 2015, and ultimately Council on 26 February 2015.

### Scope

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

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

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

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

The work on the 2014/15 HRA Budget Setting Report takes as its starting point the following key medium and long-term parameters:

- A financial model that assumes resource is set-aside to redeem 25% of the housing debt, with the balance invested in the delivery of new homes.

- A financial model assuming use of borrowing headroom, in order to increase the supply of social housing.
- Rent increases in line with government rent guidelines.
- Housing stock that is maintained at an investment standard by the end of a 10-year period.
- The delivery, subject to viability of up to 444 new and re-provided homes over a 5 year period, with the potential for delivery of additional homes in years 6 to 30 of the Business Plan.
- A general savings requirement of 2% in general management expenditure for 2015/16 and beyond, alongside an adjustment in responsive repairs expenditure in line with anticipated stock changes.
- A contingency to support continual service development (known as the priority policy fund) for 2015/16 to 2019/20 at a level of £150,000, recognising some of the key challenges facing the authority as a landlord in the medium-term.
- A minimum working balance for reserves of £2m, with a target level of £3m.

### Key Dates

The key member decision-making dates were / are as follows:

Date	Task
<b>2014</b>	
30 September	The Executive Councillor for Housing considered HRA Mid-Year Financial Review, incorporated Housing Scrutiny Committee, including Tenant and Leaseholder Representative views, and approved revenue aspects, making recommendations to Council in respect of the capital plan.
6 November	Council approved HRA Mid-Year Financial Review 2014/15
<b>2015</b>	
14 January	Executive Councillor for Housing considers Housing Scrutiny Committee views, before approving HRA revenue budgets and rent levels, and making recommendations to Council in respect of the capital aspects of the HRA Budget Setting Report
26 February	Council approves HRA Budget Setting Report

# Section 2

## Review of National and Local Policy Context and External Factors

### Review of National Policy Context

#### National Rent Setting Policy for Social and Affordable Rents

Following consultation in 2013, the government issued revised guidance for setting rents in social housing from April 2015, in May 2014. The Council's approach to rent setting in light of the new guidance is the subject of a separate report being presented to Housing Scrutiny Committee on 14 January 2015. The key changes in the guidance are:

- A change in the inflationary measure used as part of the annual rent review, using CPI (Consumer Price Index) plus 1%, for the 10 year period from 2015/16 to 2024/25 instead of the historic inflationary rate of RPI (Retail Price Index) plus 0.5%, providing certainty and stability for both social landlords and investors.
- Cessation of the rent convergence policy for existing tenants from 2015/16.
- Assumption that authorities will move the rent levels for all properties directly to target rent when a property becomes void, thus still achieving rent convergence, but over a longer time frame.
- Assumption that new homes will be let at the higher 'Affordable Rents' of up to 80% market rent levels (inclusive of service charge), if the authority has a Framework Development Agreement in place with the Homes and Communities Agency, or has entered into a Retention Agreement, with the Department for Communities and Local Government, for the ability to retain right to buy receipts.

- Assumption that the rent for properties where the household income exceeds £60,000 per annum should be set at full market rent levels.

Local authorities are expected to have regard to guidance issued by Government on rent policy when setting rents.

## **Welfare Reforms**

The Welfare Reform Act 2012 introduced a number of changes to Housing and other Benefits.

At the end of September 2014, approximately 405 HRA tenants were affected by the reduction in housing benefit as a result of removal of the spare room subsidy, with over 75% of those residents affected paying the additional rent due. It is estimated that £37,000 of arrears relate to households affected by this change.

In respect of these cases, Discretionary Housing Payment (DHP) continues to be considered, with time-limited top-up payments being awarded to support the most vulnerable tenants whilst alternative options are considered.

The Benefit Cap, (a cap of £500 per week for families, and £350 per week for a single person), introduced from 15th July 2013, currently impacts 14 City Council tenants, based upon the cases notified to us by the Department for Work and Pensions (DWP) at the time of writing this report.

Housing Benefit is to be incorporated into Universal Credit, but implementation delays mean that local authorities will now continue to administer Housing Benefit for longer than previously anticipated. From the point of introduction, new claimants for Jobseekers Allowance (income related), Income Support, Employment & Support Allowance (income related), Child Tax Credit, Working Tax Credit and Housing Benefit will claim Universal Credit.

The current intention is that residents will be paid directly, and will receive calendar monthly payments, in arrears, administered centrally by the DWP. In some cases an alternative payment arrangement might be available for those who genuinely cannot manage their monthly payment. This could take the form of a more frequent payment, split payment across the household or a managed payment direct to the landlord. Universal Credit will always be calculated based on a 52 week year. Pensioners continue to be excluded from these arrangements at present.

It was recently announced that starting in February 2015, Universal Credit will be rolled out across Great Britain for all new single claims previously eligible for Jobseeker's Allowance (JSA) including those with existing Housing Benefit and Tax Credit claims.

The current intention is that Universal Credit will be fully available during 2016 with the majority of the remaining Housing Benefit caseload moving to Universal Credit during 2016/17. Local support will be available to help support claimants and will be provided through local partnerships framework that has recently been rebranded and is now referred to as "Universal Support – delivered locally".

The full impact of these reforms at a local level still remains unquantifiable at present.

## **Right to Buy Sales**

Following changes in the right to buy legislation from July 2014, which saw the higher level of discount available index linked (using the Consumer Price Index at April of each year) going forward, the authority continues to experience increased levels of right to buy activity.

Future legislative changes are also expected to incorporate a reduction in the eligibility criteria for right to buy, reducing the period from 5 to 3 years. This change forms part of the De-Regulation Bill, which at October 2014 was sitting with the House of Lords, prior to receiving Royal Assent.

During 2013/14, 114 right to buy applications were received and recorded, resulting in 60 applications proceeding to completion. This compares to 135 applications in the previous year, with 41 completions.

In the first 6 months of 2014/15, 24 completions took place, which may represent the slight slowing down in sales anticipated to occur at some point, although 62 applications were received for the same period suggesting that initial interest is still high.

Although impossible to accurately predict future sales, based upon the sustained higher level of initial interest in 2014/15 to date and the proposed legislative change that the qualifying period be reduced to 3 years, which is likely to prompt another peak in activity, it is considered prudent to retain the assumed level of sales of 60 for 2014/15 in line with sales in 2013/14, reducing to 50 in 2015/16, 40 in 2016/17, 30 in 2017/18, and to 20 sales per annum from 2018/19.

The table below highlights the activity over the last 5 years, detailing the mix of houses, flats and bedsits sold through this process.

Status	Year	Right to Buy (RTB)			Total
		House	Flat	Bedsit	
Actual Sales	2009/10	11	2	0	13
	2010/11	12	5	0	17
	2011/12	7	5	0	12
	2012/13	26	15	0	41
	2013/14	31	28	1	60
Estimated Sales	2014/15	30	30	0	60
	2015/16	25	25	0	50
	2016/17	20	20	0	40
	2017/18	15	15	0	30
	2018/19	10	10	0	20

## Right to Buy Receipts

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

The call on right to buy receipts is as follows:

- Receipts from the level of sales assumed in the Self-Financing Settlement are split between CLG (75%) and the authority (25%) after allowable deductions. The 25% retained can be spent on any area of our housing capital programme, but currently funds our General Fund Housing expenditure.
- For any further sales over and above those assumed in the settlement, the first call on the receipts is a sum considered comparable with the debt that the authority holds in respect of each dwelling. These receipts can be used for debt repayment, or alternatively could be used for capital purposes, e.g.; investment in new affordable housing. There is currently nothing legislatively to stop the authority using these receipts for wider capital purposes, although CLG are clear that the intention in allowing the authority to retain the sums is that the HRA has debt relational to the dwellings sold, and should either redeem the debt or create an asset to replace it, thus allowing the debt to continue to be supported.
- Any residual receipt is known as a one for one (1-4-1) receipt, and in line with the agreement with CLG must be spent to fund the delivery of new social housing, with a maximum of 30% of any dwelling being funded via this mechanism. The balance must be funded from the Council's own resources or through borrowing. There is a 3-year time limit on delivery of the new unit, with the receipt having to be paid to central government, with interest (at 4% above the base rate) if not spent appropriately.

It should be noted that risks remain in spending the sums retained in respect of the attributable debt element of the formula in the early years, as the government

calculates the sum due to CLG on a cumulative basis year on year. If right to buy sales fall in later years, CLG will claw back monies from all right to buy receipts in-year, until they have arrived at the total sum due to them overall. This could mean that the authority receives no capital receipt from right to buy sales in any one year, thus putting at jeopardy the funding assumed to be available for the general fund housing elements of the Housing Capital Investment Plan in the year in question, such as Disabled Facilities Grants and Private Sector Housing Grants and Loans.

In respect of 1-4-1- receipts, it is not possible, under the terms of the agreement with CLG, to use the receipt to fund the development of a dwelling that is already receiving any other form of public subsidy, e.g.; Homes and Communities Agency grant or additional borrowing approvals through the £300 million fund.

The table below identifies the current 1-4-1 receipts held by the HRA:

<b>Quarter date for Receipt</b>	<b>Retained one-for-one Receipt Value (Per Quarter)</b>	<b>Retained 1-4-1 Receipt Value (Cumulative)</b>	<b>Amount of New Build Expenditure Required (Cumulative)</b>	<b>Deadline for Receipt to be spent on Completed Dwelling</b>
30/6/2012	0.00	0.00	0.00	N/A
30/9/2012	305,694.44	305,694.44	1,018,981.47	30/9/2015
31/12/2012	1,052,927.43	1,358,621.87	4,528,739.57	31/12/2015
31/3/2013	721,056.95	2,079,678.82	6,932,262.73	31/3/2016
30/6/2013	558,506.21	2,638,185.03	8,793,950.10	30/6/2016
30/9/2013	649,210.49	3,287,395.52	10,957,985.07	30/9/2016
31/12/2013	939,637.07	4,227,032.59	14,090,108.63	31/12/2016
31/3/2014	1,556,452.02	5,783,484.61	19,278,282.03	31/3/2017
30/6/2014	1,039,280.75	6,822,765.36	22,742,551.20	30/6/2017
30/9/2014	517,057.26	7,339,822.62	24,466,075.40	30/9/2017
<b>Total</b>	<b>7,339,822.62</b>	<b>7,339,822.62</b>	<b>24,466,075.40</b>	



The authority is required to invest a significant sum in the delivery of new social housing over the next 3 years. Although the total required expenditure to meet the above commitment has been included in the Housing Capital Investment Plan, specific sites need to be identified that can be delivered within the time frames. If this is not possible, the authority will consider the purchase of existing dwellings on the open market or alternatively passing the funding on to a registered provider to deliver the housing, before releasing existing and future 1-4-1 receipts directly to Central Government. A judgement will be made in this regard at the end of each quarter, and funds will be paid to Central Government if they are not deemed appropriately re-investable.

The authority has begun a review of the balance of investment in the current HRA Business Plan between the provision of services, investment in existing housing stock and in delivering or acquiring new affordable housing, as part of a fundamental review of housing services. This review seeks to maximise the funding available for new build housing, thus ensuring that the resources made available through the right to buy process are retained and re-invested locally as far as possible.

## **Review of Local Policy Context**

### **Portfolio Plan**

The Housing Portfolio Plan will set out the Council's strategic objectives for housing in general across the city and will include the role of the city as a social housing landlord. The Housing Portfolio Plan for 2015/16 will be available on the City Council website in March 2015.

### **Housing Vision**

The Council aims to deliver housing services in line with the following updated vision statement and key housing objectives:

## Cambridge City Council's Housing Vision

### **'Fair for all'**

We will provide a housing service that is fit for purpose and fair for all; that provides a range of housing options and housing solutions to meet our clients' needs; that enables independent living and that is developed alongside our customers' expectations.

### **'A great place to live and work'**

With the health and well-being of our residents a priority, we will ensure that a rented property in Cambridge is good quality, well managed and well regulated, and that the communities we support and develop are balanced, productive and sustainable.

### **'Caring for our environment'**

Our homes will be at the forefront of sustainable living. We will build and maintain homes to a standard that is mirrored across all rented tenures and by all housing providers within the City.

## Cambridge City Council's Housing Objectives

### **'Fair for all'**

Tackling and preventing homelessness

Tackling anti-poverty and social exclusion; ensuring fair services for all

Expanding and encouraging resident involvement; engaging with harder to reach groups

Providing a range of housing options and rent products to meet all housing need, supporting those on low incomes to access housing.

Providing easy access to a fair, well regulated, good quality private rented sector; improving awareness of landlords' and tenant rights and responsibilities.

Recognising the need to demonstrate value for money, fairly charging for services and seeking out efficiencies.

Recognising and respecting difference, balancing organisational objectives with our customers' expectations.

Enabling people to live independently, working with partner agencies, and increasing customer awareness of services and support available to them.

Responding to the needs of, and protecting, our vulnerable clients.

### **'A great place to live and work'**

Optimising how the Council manages its homes and estates.

Improving the quality of Council homes and rented homes in the private sector.

Ensuring housing provision in a range of sizes and types of tenure (social and intermediate housing), affordable to all.

Recognising links between health & housing; working positively with partner organisations

Maximising the supply of social housing; building ourselves or facilitating others.

Creating mixed, balanced and sustainable new communities, whilst recognising and tackling inequality in our established communities.

Positively tackling crime and anti-social behaviour.

Working with our customers, incorporating their views in service development, consulting broadly and responding positively to the outcomes.

### **'Caring for our environment'**

Tackling utility poverty, improving energy and water efficiency of both Council homes and those in the private rented sector.

Building energy and water efficient housing to meet housing need and developing a sustainable building programme.

Developing build standards in consultation with our customers, aligning standards with expectations in the private rented sector.

## Housing Stock

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

Housing Category	Actual Stock Numbers as at 1/4/2014	Estimated Stock Numbers as at 1/4/2015
General Housing – Social	6,511	6,350
General Housing - Affordable	0	41
Housing for Older People - Affordable	19	19
Sheltered Housing	521	507
Supported Housing	24	24
Temporary Housing (Incl. HMO / EA's)	70	71
Miscellaneous Leased Dwellings	19	18
Shared Ownership Dwellings	84	83
Total Dwellings	7,248	7,113

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

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2014	Estimated Stock Numbers as at 1/4/2015
Bedsits	111	109
1 Bed Flat / Maisonette	1,587	1,519
2 Bed Flat / Maisonette	1,261	1,256
3 Bed Flat / Maisonette	42	34
1 Bed House / Bungalow	190	161
2 Bed House / Bungalow	1,121	1,110
3 Bed House	2,226	2,227
4 Bed House	96	98
5 Bed House	7	7
6 Bed House	2	2
Sheltered Housing	521	507
Total Dwellings	7,164	7,030

## **Leasehold Stock**

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

At 1<sup>st</sup> April 2014, the Council retained the freehold and managed the leases for 1,109 leasehold flats.

## **Housing Demand**

The mix of new housing delivered by the Housing Revenue Account continues to be influenced by numbers on the housing register locally and the Affordable Housing Supplementary Planning Document (AHSPD), which shows what the dwelling mix should be for new homes between 2011 and 2031, based on a continuation of trends from 1991 to 2010. It may become necessary to seek a review of the AHSPD in the light of the impact of welfare reform on housing needs from 2010.

## **Support Service Contracts**

Cambridge City Council entered into a new contract for the delivery of support services to older people across the city from 30<sup>th</sup> April 2014. The contract runs for three years, with an option to extend for up to two further years, but with services delivered on a city-wide basis, and not just to HRA residents as was the case under the previous contract. The demand for support services across the city as a whole is still unquantifiable, but all existing service recipients are undergoing needs assessments during the first year of the new contract, and support services will then be targeted at those in the greatest need, with signposting to other agencies available for those with lower support needs.

The authority is also contracted to deliver support services in both extra care housing (as part of the Ditchburn Place care contract) and temporary accommodation across

the housing stock. The current contracts have been operating under temporary extensions whilst the County Council decided upon the most appropriate delivery vehicle for the future. Discussions are underway in respect of a 10 month extension to the care contract, with a view to working in partnership after this. The future provision of County Council funded support services in temporary housing is still unclear.

Funding for the provision of alarms, and the telephone response to alarms, in sheltered and older persons housing is being phased out by the County Council, with the expectation that its continued provision across our housing stock will form the basis of a separately identified service charge, which would be payable by all residents benefiting from the service, and not just the proportion who are self-funders, as is the case at present.

The table below summarises the current funding received for the provision of support services:

Contract	No. of Contract Units	Contract Status	Contracted Support Income 2015/16 (£)	Risks / Ongoing Assumptions
Temporary Housing	60	Block Gross Contract – Extension Expires 31/3/2015.	0	Uncertainty exists around County Council’s plans after March 2015.
Older People Support Services	City-Wide	Fixed Price City-Wide Contract – Expires 30/4/2017, with an option to extend for up to 2 further years	180,000 (plus £51,700 TUPE funding whilst staff numbers are maintained)	Risks exist that additional funding for an initially higher staffing level will cease, whilst demand for services across the city will outstrip supply, with services only delivered to those in greatest need.
Sheltered Housing Alarms	470	Contract addendum to extend until	9,440	Supporting People funding for alarm services will cease with

		31/3/2016.		effect from 31/3/2016
Community Alarms	34	Contract addendum to extend until 31/3/2016.	7,830	Supporting People funding for alarm services will cease with effect from 31/3/2016
Ditchburn Place (Extra Care)	36	Block Gross Contract (Part of Care Contract) – Expires 31/3/2015.	45,740 (Accounted for outside of the HRA)	Uncertainty exists around the County Council’s plans for care at Ditchburn Place post March 2015, although a contract extension is being considered
<b>Total County Council Support Funding</b>			<b>294,710</b>	

## Tenant and Leaseholder Consultation

### STAR Survey 2014 – Satisfaction Levels

The last tenant and leaseholder satisfaction surveys were undertaken in June 2014.

For our general needs tenants, overall satisfaction in services provided by the landlord has remained consistent since the 2012 survey; 82.5% compared to 83% in 2008 (73% to 72% on a net satisfaction basis). There has been a slight drop between 2012 and 2014 in levels of satisfaction in three key areas – overall quality of the home, rent providing value for money and how the Council deals with repairs and maintenance.

For our tenants in sheltered housing, overall satisfaction in services provided by the landlord remains high at 95% (93% in 2012). There was a slight drop in satisfaction with quality of the home; 93% in 2014 from 95% in 2012, and that rent provides value for money; 87% in 2014 from 91% in 2012.

For leaseholders, there has been a rise in overall satisfaction for leasehold services provided by the Council; from 49% in 2012 to 63% in 2014, and in other key areas - the neighbourhood as a place to live has increased from 59% in 2012 to 73% in 2014 and service charges providing value for money from 30% to 43%. Satisfaction with the repairs and maintenance service has however dropped to 42% in 2014 from 50% in 2012.

## STAR Survey – Identification of Tenant Investment Priorities

In both the 2012 and 2014 survey, Housing took the opportunity to ask tenants to rank a number of areas of potential investment in their order of priority. General needs tenants ranked the following areas of service as their 1st priority:

2012	%	2014	%
Building new council housing	23%	Building new council housing	38%
Repairing your home	22%	Repairing your home	23%
Tackling anti-social behaviour	13%	Providing sheltered accommodation for older people	11%
Providing sheltered accommodation for older people	12%	Tackling anti-social behaviour	8%
Dealing with enquiries and providing support to tenants	11%	Advice & support for those seeking a home	7%

As the table above shows, there has been a significant rise in those tenants who see building more council homes as the top priority; repairing the home remains consistently in second place.

## STAR Survey 2014 – Planning ahead

The resident representatives elected to sit on the Housing Scrutiny Committee and the Housing Regulation Panel (HRP) will be asked to help officers develop a programme of work that will be taken forward over the next year and beyond. Plans include a comprehensive drill-down into areas of lower satisfaction, using the Tenant and Leaseholder magazine Open Door to further capture opinion, using best practice from other Local Authorities to make the changes to services that most matter to our tenants and leaseholders and undertaking ‘hotspot’ improvements in specific services across the City where low satisfaction has been captured at ward level.



We will also continue to:

- Ensure that the post of Resident Involvement Facilitator focuses on developing residents' groups on estates to be an independent tenant voice.
- Run a series of features in Open Door, engaging residents with the results and impacts of the 2014 STAR survey, as well as undertaking some further focussed opinion polls within each edition.
- Remind Tenants' about their top 5 priorities for investment and how we're progressing.
- Hold Community/Environment Days showing how we listen to, and act upon, tenants' views, engaging with other community providers within estates so that tenants have access to wider support
- Include features showing how residents are involved in the whole STAR cycle.

## **Partnership Working and Shared Services**

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

Although the submission of a bid to Central Government for a City Deal did not produce an immediate outcome from a housing perspective, discussions are underway with South Cambridgeshire District Council, the County Council, the University and other potential partners about the possibility of creating a Joint Venture Company / Housing Development Vehicle to aid the delivery of new homes in the sub-region, both inside and outside of HRA control. This approach to joint working could help increase the supply of new housing in response to the investment in transport and infrastructure which the Greater Cambridge City Deal will bring.

Ongoing investment in the housing stock as part of the 30-Year HRA Business Plan has necessitated the authority procuring a new partner to deliver some of the planned

maintenance services, both in terms of capital investment (including decent homes) and planned / cyclical revenue expenditure. A new contract with TSG will come into force in 2014/15 for the internal aspects of the programme, with options for delivering the balance of investment being explored currently.

From a corporate perspective, the authority has decided to progress shared service opportunities with South Cambridgeshire District Council and Huntingdonshire District Council for the provision of ICT and Legal Services, both of which will impact the HRA. Other shared service opportunities are currently being investigated, with the potential for more joined up working across both HRA and strategic housing services.

## External Factors

The Housing Revenue Account continues to be impacted upon by a number of external factors, all of which are outside of the direct control of the organisation, with little or no ability for the organisation to influence them. In making strategic budgetary decisions, judgements have been made about the likely direction of travel for many of the factors.

### Inflation Rates

Inflation rates have fluctuated significantly over the last 10 years, with a marked reduction in the rates as measured by the Retail Price Index (RPI) and the Consumer Price Index (CPI) over the last 4 years. This is conversely true in respect of the building industry, 'all in tender price inflation' cost indices, which has seen a marked recovery in the last few years.

There has been a significant reduction in inflation rates over the last few months; with rates at September 2014 falling again, to the lowest that they have been for 5 years.

The work undertaken in 2014, culminating in approval of the HRA Mid-Year Financial Review in October 2014, assumed a reduction from 2.5% to the use of 2% in general

inflation (CPI) for 2015/16 and beyond. Although inflation rates are currently significantly lower than this, the position is not anticipated to continue at this all-time low, and recognising that the government's aim is to maintain CPI at 2% over the longer term, it is not proposed that any change is made in relation to these assumptions beyond 2015/16 as part of the budget setting process.

The impact of the low rate at September 2014 in particular, when CPI fell to 1.2%, has however been incorporated into the financial assumptions made as part of this report, as it guides the level of rent increase applicable from April 2015. The rate of inflation applied in respect of rent increases as part of the 2015/16 budget setting process will therefore be 2.2%, which represents CPI at 1.2%, plus 1%, in line with the current government guidelines. The rate of CPI assumed as part of the HRA Mid-Year Financial Review was 2%, resulting in significantly lower rental income than originally anticipated.

## **Interest Rates on Lending**

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

The level of interest that the authority has been able to earn in recent years remains extremely low, with an average rate of 0.64% available during 2013/14. Although anticipated to be slow, some recovery in the rates available is still predicted in the longer term, with interest rate assumptions detailed in Appendix A.

In the future, if the HRA holds significant cash reserves, set-aside to repay an element of debt in the future, the authority will need to consider forms of longer-term lending of these larger sums, in order to secure the higher rates that are predicted to be available. An alternative to this would be to explore early repayment of the HRA debt, particularly if the benefit of doing so can be demonstrated to out-perform the interest anticipated

to be earned on the retention of the balance until the loan's maturity date. Consideration could also be given to the Housing Revenue Account investing in additional property, where it can be demonstrated that investment could generate a higher return than investments elsewhere.

## **Interest Rates on Borrowing**

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

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

The authority is still eligible for a certainty rate with the Public Works Loans Board, which is renewed on an annual basis, with the current agreement confirmed until 31<sup>st</sup> October 2015. This allows the authority access to a 20 basis point reduction against the standard PWLB rates in respect of any new borrowing.

The rates available for shorter-term borrowing are lower than those available for borrowing of a longer-term nature, with the standard rate for maturity loans at October 2014, ranging from 2.48% over 5 years, up to 3.90% over 30 or 35 years, reducing marginally to 3.88% over 50 years. The rates for other types of borrowing, annuity or equal instalments of principal are generally lower over the short-term, but more similar in respect of longer-term borrowing. If the certainty rate is still available at the point at which the HRA is required to borrow, all published rates would be reduced by 0.2%.

Based upon the continued downward trend in interest rates available, it is proposed to reduce the cost of borrowing assumption in the HRA financial forecasts from 4.5% to 4%, as detailed in Appendix A.

# Section 3

## Housing Revenue Account Resources

### Rent

#### Rent Arrears and Bad Debt Provision

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

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

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2010	£625,433	2.05%	£642,521
31/3/2011	£582,400	1.88%	£746,852
31/3/2012	£655,177	1.98%	£863,677
31/3/2013	£661,246	1.86%	£862,042
31/3/2014	£619,986	1.68%	£967,755

Performance in the collection of current tenant debt was improved in 2013/14, despite the introduction of the first stages of welfare reform. Performance in first half of 2014/15 has been maintained, when compared with the profile in previous years. Dedicated Assistant Housing Officers continue to work proactively with tenants affected by the

benefit changes, in an attempt to minimise the financial impact on the Housing Revenue Account and maintain or improve upon the current level of rent arrears by the end of 2014/15. The position is anticipated to become more challenging with the introduction of Universal Credit, based on experiences elsewhere, with authorities seeing a marked increase in the level of rent arrears.

In an attempt to mitigate the impact on rent arrears caused by a variety of financial pressures experienced by our tenants, the budget proposals presented in this report incorporate the recommendation that resource is made available for an additional member of staff. This post will work proactively with tenants before they get into financial difficulties, using early intervention, financial advice, advocacy, sign-posting and financial awareness training as means to minimise the numbers of households getting into financial crisis.

A particular focus has been placed on actively pursuing, or proactively writing off, former tenant debt in the latter part of 2013/14 and 2014/15 to date. By a point in October 2014, former tenant debt had been reduced to £888,908, compared with the £967,755 that was evident at the end of March 2014.

The Housing Revenue Account maintains a provision for bad and doubtful debt, with the value of the provision reviewed annually, taking into consideration both the age and value of outstanding debt at the time. At 31 March 2014, the provision for bad debt stood at £1,259,257, representing 79% of the total debt outstanding.

## **Void Levels**

The value of rent not collected as a direct result of void dwellings in 2013/14 was £330,126, representing a void loss of 0.93%, Void levels remain low in 2014/15 to date, with void loss for the first half of the year at 0.9%.

On an ongoing basis, an assumption of 1% voids in general housing is still considered prudent, recognising the release of a considerable amount of new build affordable housing in the city, and the intention to refurbish Ditchburn Place in 3 phases.

With the requirement to pay Council Tax now for any dwelling that is empty for more than one month, it is imperative that the time taken to undertake void works and re-let each dwelling is minimised. Consideration is being given, sub-regionally, to amending the choice based lettings system to allow weekly advertising as opposed to two weekly, which will assist this.

The requirement to pay Council Tax for vacant dwellings sooner, also impacts those properties held vacant awaiting re-development until they are physically demolished and means that Council Tax will be payable on new build schemes one month after they are deemed complete by the Council Tax Inspector.

## **Rent Restructuring**

The HRA Self-Financing debt settlement assumed that all local authorities complied with government guidelines for setting rents, and imposed rent increases over a period of time, until target rents were arrived at. From April 2015, the move towards target rents will cease for existing tenants, with the ability to move only vacant properties directly to target rent.

The formula for the calculation of target rents remains unchanged, with 30% of a property's rent based upon historic relative property values and 70% based upon historic relative local earnings, combined with a factor for the number of bedrooms in the property. The application of rent caps (a prescribed maximum level of rent chargeable for a property of one bedroom, two bedrooms, etc.) is also retained, although this affects very few properties owned by Cambridge City Council.

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

Both target and actual rents are expected to be increased annually by inflation as measured by the Consumer Price Index (CPI) at the preceding September plus 1%.

With target rents for Cambridge City Council still considerably above actual rents, it will be many years before target rents are achieved in totality, assuming rents are only increased when property becomes void.

The average target rent at the start of 2014/15 across the housing stock was £103.57, with the average actual rent charged being £98.49, both recorded on a 52 week basis. The average actual rent was therefore representative of 95% of the average target rent.

At the time of writing this report, only 12% of the housing stock had reached target rent levels, despite the decision to increase energy efficient void properties directly to target from April 2013.

With the opportunity to close the gap between target and actual rents only available at the point at which a property becomes vacant, it will be decades before the housing stock as a whole reaches target rent levels,

## **Rent Policy**

The local rent setting policy is subject to review as part of the January 2015 committee cycle in a separate report to be presented to Housing Scrutiny Committee.



The current policy allows for the transition of energy efficient void properties direct to target rent before re-let. Based upon activity since April 2013, approximately 70% of void dwellings have been re-let at target rents. The proportion has increased over the last year as a proactive approach is taken to undertaking works during the void period which will improve the energy efficiency of the dwelling. It is not proposed to change this approach at present.

The updated policy also addresses the local approach to charging market rent for households on high incomes (over £60,000), with the recommendation to defer a decision on the implementation of this until such time as the legal mechanisms exist to facilitate collection of the required financial data.

## **Rent Setting**

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

The HRA Business Plan is predicated on the assumption that the authority will continue to follow government guidelines for setting rent levels, and has been updated a number of times since the inception of self-financing in April 2012, to reflect changes in both national and local rent policy and the rates of inflation assumed for rent setting purposes.

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

The rate of inflation assumed for rent setting purposes from April 2015 in the HRA Mid-Year Financial Review was 3% (CPI at 2% plus 1%). The actual rate of inflation that will be applicable from April 2015 is 2.2% (CPI at September 2014 of 1.2% plus 1%). This

change, although resulting in lower than anticipated rent increases for existing tenants, will result in the need to reduce costs elsewhere in the HRA as a direct consequence.

The cessation of any transition towards target rents for existing tenants and the base rate of inflation as measured by CPI at September 2014, will result in a rent increase for Cambridge City Council general and sheltered tenants of 2.2%, equivalent to an average, at the time of writing this report, of £2.18 per week on a 52-week basis.

## Service Charges

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

The majority of services provided to tenants of Cambridge City Council are now separately identified, with the exception of communal electricity, grounds maintenance and estate services to non-sheltered flatted accommodation, where there is currently not considered to be any specific benefit to identifying these charges separately.

Building cleaning and window cleaning services are subject to a review, which has been delayed such that the new arrangements are not now expected to be in place until after April 2015.

Charges are also recovered through rent accounts for optional third party activity such as the Tenants Contents Insurance Scheme.

The approach to setting service charge levels for 2015/16 is detailed at Appendix B.

# Other Sources of Income

## Garages

The Housing Revenue Account currently owns 1,795 residential garages, and manages a further 23 on behalf of the General Fund. 93 of these garages are currently identified for demolition as part of the affordable housing development programme schemes approved to date.

Following a review of garage provision, the HRA has now adopted a variable charging structure, with charges reviewed annually as part of the budget process. The proposed garage charging structure for 2015/16 is as follows:

Category	Rent £ per rent week	VAT £ per rent week	Total Charge £ per rent week	Percentage Increase on previous year
Tenant of City Homes (for storing a motorised vehicle)	9.55	0.00	9.55	2%
Other Resident with Garage within ½ mile of address (for storing a motorised vehicle)	9.55	1.91	11.46	2%
Other Resident (Within Cambridge City) with Garage over ½ mile of address (for storing a motorised vehicle)	11.59	2.32	13.91	2%
Public Body/Charity (for storing a motorised vehicle)	15.95	3.19	19.14	2%
Non Cambridge City resident or Business / Commercial / General Storage Use	17.99	3.60	21.59	2%
Tenant of City Homes (For general storage)	17.99	3.60	21.59	2%
City Homes Use	17.99	0.00	17.99	2%

Of the garages available for letting, 25% are currently void, with total void loss to the end of October 2014 of 25.8%. In addition to the 93 (5%) of garages identified for demolition as part of the current new build programme, a number of other garage blocks have been identified for feasibility work as part of the 3 year affordable housing rolling programme. Targeted work is anticipated to market all garages available for letting in the near future, using a variety of communication media, to include Open Door.

## **Commercial Property**

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

In 2014/15 the income generated by the commercial property portfolio is anticipated to be in the region of £408,000, increasing to £420,000 from 2015/16.

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

## **Interest / Investment Income**

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

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

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

## Other External Funding

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

- Homes and Communities Agency (HCA) Grant – The authority was awarded grant of £2,587,500 to build 146 new and re-developed homes before March 2015. Due to both delays in the new build programme and recent announcements by the HCA that schemes must have started on site by a specified date to comply with the grant requirements, the authority only expects to receive £1,659,630 in grant funding by the end of 2014/15, towards the development of 88 dwellings. There remains the opportunity to bid for grant for on some of these new homes that will complete in 2015/16.
- Supporting Funding – The level of funding via the Supporting People Programme has reduced significantly over the last 10 years. From May 2014 the authority contracted directly with the County Council for the provision of support to older people across the city, but uncertainty still exists for the future of funding for temporary housing services.

## Earmarked & Specific Funds

### **Earmarked Funds – Revenue Reserves**

In addition to General Reserves, the Housing Revenue Account maintains a number of earmarked or specific funds which are held against major expenditure of a non-recurring nature or where income is received for a specific purpose. The number, and purpose, of ear-marked reserves has been considered as part of the 2015/16 budget

process, with the resulting proposals summarised below. See Appendix C for details of the current level of funding in the reserves proposed for retention.

### **Repairs & Renewals**

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

These funds have been subject to a major zero-based review during 2014/15, with recommendations including a net reduction in the annual contribution to the funds of £40,710, and a one-off release of £823,400 of the ear-marked fund held back into general HRA reserves, both recognising that items have not been replaced as often as anticipated historically and that replacements values of many items are now lower due to corporate buying decisions.

### **Major Repairs Reserve**

From April 2012, this statutory ear-marked reserve is being contributed to on an annual ongoing basis from the Housing Revenue Account, recognising the need to depreciate the housing stock, or in effect set-aside sufficient resource to maintain the asset base in a lettable state.

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

### **Shared Ownership**

A reserve of £300,000 has historically been maintained to enable the HRA, in any one year, to re-purchase shares of properties where the occupier wishes to move on, thus

ensuring that the limited stock is made available for those on the shared ownership register.

In many cases, the funding for shared ownership is re-circulated, with the HRA buying back and selling on a dwelling in the same financial year. As such, the demand on this reserve has been negligible in recent years, and it is therefore proposed to remove this specific reserve and instead to utilise and pay back general HRA reserves if and when the need arises.

### **Tenants Survey**

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

### **HRA Aerial Monies**

Mobile telephone aerials have been installed on the roofs of a number of the flat blocks within the HRA. The authority leases the roof space to the telecoms provider for an annual lease premium / rental fee. This income is appropriated into an ear-marked reserve, to allow offset of an element of expenditure specific to the area in which the mast is installed. Consideration is being given to wider use of the balance that has accumulated in the fund to date.

### **Pension Reserve**

This reserve was created to address anticipated increases in employer contributions following the triennial review of the Pension Fund and outcomes of the fundamental structural review of public service pension provision by the Public Services Pensions Commission, chaired by Lord Hutton.

The impact of the triennial valuation has now been fully included in budgets, therefore the remaining balance (£389,960) is no longer needed and will be released to general HRA reserves, in line with the approach being taken in the General Fund.

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

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

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

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

## **Earmarked Funds – Capital Receipts**

### **Right to Buy Attributable Debt Ear-Marked Capital Receipt**

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



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

Within the terms of the Right to Buy Receipt Retention Agreement, the authority may retain receipts from additional right to buy sales for a period of up to 3 years, for the express purpose of re-investment in new affordable housing. If not utilised within the time frame, the Council must pay the funds, with interest at 4% above the bank base rate, to central government. To ensure that these resources are separately identified for re-investment, and if necessary, repayment purposes, an ear-marked balance will be identified to hold the balance at any one time.

# Section 4

## Housing Revenue Account Budget

### Post-HRA Business Plan Update Approvals

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

There are capital implications to take into account in reviewing the final budget proposals in relation to scheme specific amendments given by urgent decision or by entering into unconditional contract, for HRA new build and re-development schemes, and any new schemes which are presented in the January committee cycle. The schemes where the financial implications will need to be included are:

- Wadloes Road
- Hawkins Road (Garage Site)
- Fulbourn Road (Garage Site)
- Ekin Road (Garage Site)
- Aylesborough Close
- Water Lane
- Campkin Road
- Homerton

It should be noted that there are various stages to setting the budgets for new build schemes. Initially a budget is approved based on an indicative scheme. This approval in effect, confirms that a scheme is viable and gives permission for the scheme to be developed to submit a planning application. As the design of a scheme is being developed, should the final design and planning considerations result in a change to the cost or funding proposals, the budget will be formally revised in the Mid-Year Financial Review or annual Budget Setting Report whichever is applicable. If there is a significant adverse change in the cost then Executive Councillor re-approval will be required in line with the Council's financial regulations.

## Revised Budget 2014/15

The Housing Revenue Account (HRA) revenue budgets for the current year (2014/15) were reviewed as part of the HRA Mid-Year Financial Review in September 2014. It is not proposed to undertake a further review of the current year as part of the budget setting process, but instead to report the position at outturn.

The only exceptions to this are the proposals to recognise in year, due to the size or nature of the changes, a decision not to deliver the Prior To Re-Paint (PTR) planned repairs programme in 2014/15 and changes in interest payments due to the setting aside of monies for potential debt repayment as part of the Mid-Year financial Review. Due to a change in planned maintenance contractor, and the inability to award a single contract for external works as part of the procurement process, the authority is reviewing its approach to the delivery of this planned revenue programme. Whilst this review takes place, the current year's programme has been put on hold, but is anticipated to begin again from 2015/16. This results in a proposal to reduce the planned repairs budget by £1,100,000 in 2014/15. This is partially offset by a net increase in interest anticipated to be paid in 2014/15 of £15,370, as detailed in Appendix D (1).

2014/15 Revised Budget	Original Budget January 2014 £	HRA Mid- Year Review September 2014 £	HRA BSR Proposed Changes £	HRA BSR January 2015 £
Net HRA Use of / (Contribution to) Reserves	(70,490)	5,895,820		
Savings			(1,100,000)	
Unavoidable Revenue Bids			0	
Non-Cash Limit Adjustments			15,370	
<b>Revised Net HRA Use of / (Contribution to) Reserves</b>				<b>4,811,190</b>
Variation on previously reported projection				(1,084,630)

The above figures include carry forward approvals from 2013/14 in the second and third columns, with the net saving identified in the current year, as part of the January 2015 committee cycle, incorporated in the right-hand column. The net reduction in expenditure for 2014/15 will result in a lower call on the use of Housing Revenue Account reserves than anticipated.

## Overall Budget Position and Priority Policy Fund (PPF) - 2015/16 onwards

### Overall Budget Position

The overall revenue budget position for the Housing Revenue Account is summarised in the table below, with detail on an item by item basis for the period to 2018/19 provided in Appendix D (1):

<b>Proposal Type</b>	<b>2015/16 £</b>	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
Reduction required to meet Cash Limit	113,000	113,000	113,000	113,000	113,000
Transformation Savings	(66,000)	(166,000)	(232,000)	(269,000)	(269,000)
Transformation Costs	38,000	95,000	95,000	33,000	24,000
Savings	(392,210)	(288,170)	(288,170)	(288,170)	(288,170)
Unavoidable Revenue Bids	173,400	107,740	107,740	107,740	107,740
<b>Net Savings Position above / (below) Savings Requirement</b>	<b>(133,810)</b>	<b>(138,430)</b>	<b>(204,430)</b>	<b>(303,430)</b>	<b>(312,430)</b>
PPF Funding	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
PPF Bids	138,060	128,950	107,540	107,540	107,540
<b>Net PPF Position – Above / (Below) Available Funding</b>	<b>(11,940)</b>	<b>(21,050)</b>	<b>(42,460)</b>	<b>(42,460)</b>	<b>(42,460)</b>
<b>Net Position above / (below) Overall Cash Limit for the HRA</b>	<b>(145,750)</b>	<b>(159,480)</b>	<b>(246,890)</b>	<b>(345,890)</b>	<b>(354,890)</b>
Non-Cash Limit Adjustments	1,115,850	10,330	190,330	370,330	550,330
<b>Net Position for the HRA above / (below) overall assumptions</b>	<b>970,100</b>	<b>(149,150)</b>	<b>(56,560)</b>	<b>24,440</b>	<b>195,440</b>

## Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example dwelling rent income, direct revenue funding of capital expenditure (DRF) and investment income. These items are treated outside of the 2015/16 cash limit, with the implications built into the financial forecasts for the HRA as part of the budget process, informing future budget strategy, savings targets and

investment priorities. Full details of these for the period to 2018/19 are given in Appendix D (1).

## **Performance against Savings Target**

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

As shown in the table above, savings have been identified, which are partially offset by the HRA reacting to unavoidable revenue pressures, but with the net position being an over-achievement against the savings target for 2015/16 of £133,810, increasing to £138,430 for 2016/17, £204,430 for 2017/18, £303,430 for 2018/19 and £312,430 from 2019/20 onwards.

The result of transformation activity corporately will have a financial impact on the HRA in many cases, but the detail is not always available at the outset of each project. It is difficult to fully predict the impact in monetary terms of savings to the HRA from indirect service reviews, as the detail surrounding revised recharging mechanisms is not usually completed until the after the transformation activity is complete and resulting changes have been made.

For prudence, any anticipated savings to the HRA are only included once the activity is confirmed corporately as being far enough progressed that some certainty can be given to the incidence of impact between the General Fund and the HRA.

Significant savings have been incorporated into the HRA in this budget process, as part of the fundamental change in support service delivery models anticipated over the coming years.

## Priority Policy Fund (PPF)

The Housing Revenue Account PPF makes money available for new and expanding service areas, recognising the priorities identified through the Annual Statement and the STAR Tenants and Leaseholder Survey.

The HRA Mid-Year Financial Review of September 2014 assumed a continued level of funding for HRA PPF Bids of £150,000 per annum for the period from 2015/16 to 2019/20.

The current list of PPF Bids is shown in Appendix D (1). In reviewing PPF Bids for approval, consideration is given to the relative value of PPF Bids compared to the additional Savings that their inclusion would require.

As shown in the table above, the demand for PPF funding in 2015/16 and beyond is lower than the funding available for this period, and as a result the HRA can support all PPF bids, subject to being satisfied that the investment will provide tangible benefits to tenants.

Any shortfall in PPF funding against the bids proposed, can be addressed by:

- Reducing the level of direct revenue funding of capital
- Reducing any ability to set-aside resource to repay housing debt
- Identifying additional areas of saving to allow increased targeted investment
- Reducing the level of PPF funding available in future years

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

- Increase the level of direct revenue funding of capital
- Increase the ability to set-aside resource to repay housing debt
- Offset any under-achievement in net savings, or a negative impact of non-cash limit items, to mitigate an increased savings requirement in future years

# Section 5

## Housing Capital Budget

### Stock Condition and Decent Homes

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

Work has happened to identify much of the investment need in the communal areas of both sheltered and flatted accommodation, with findings being collated to form part of the review of the Housing Capital Investment Plan during 2015/16. Until this point, the uplift of £75.00 per property per annum, as recommended by Savills, has been retained in the Housing Capital Investment Plan for future years, although funds identified and not spent in earlier years are being recommended for re-direction into other areas of investment.

The housing service reported achievement of decency in the housing stock as at 31 March 2014 at 97.9%, with 151 properties that were considered to be non-decent (in addition to refusals). A further 510 properties were anticipated to become non-decent during 2014/15.

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



As part of the original HRA 30-Year Business Plan and Asset Management Plan, approved in February 2012, the authority reduced the assumed lives of a number of decent homes elements, moving from a basic decent homes standard to a full investment standard. This decision is reviewed as part of the financial planning processes, responding to the need to set a budget with a balance of investment between existing dwellings, housing services and the supply of additional affordable housing.

From April 2015 it is recommended to increase the assumed life of the replacement of PVCU windows to 40 years, as recommended in the decent homes standard, which is not expected to have a detrimental impact on the authority's ability to maintain decency. Any impact of this change in the volume or cost of responsive repairs in respect of windows will be carefully monitored from April 2015.

All elements of the programme will be reviewed in the coming year as part of a fundamental review of the Housing Capital Investment Plan.

The Asset Management Plan, originally approved in February 2012, and subject to a review during 2015, addresses the approach being taken to meet the investment need in Housing Revenue Account assets over a 30-year period. An update of the medium-term investment position, for the period from 2014/15 to 2019/20 is included at Appendix I.

## New Build Affordable Housing

### New Build & Re-Development – 2011-15 Programme

Work continues to deliver the 2011-15 New Build Programme (146 programme), where at the time of writing this report the first 20 dwellings had been completed at Jane's Court. The programme was originally constructed on the basis of delivering 146 new

and re-developed homes in the city, utilising £2,587,500 of Homes and Communities Agency grant.

Delays in the delivery process and recent announcements by the HCA of the need to be on site earlier than anticipated for each scheme to be eligible to receive the grant awarded, will mean the authority will not receive the full grant sum. To mitigate the impact of both this, and some increased costs in respect of some of the later sites as they have gone through the development process, an urgent decision approved the use of retained right to buy receipts as an alternative funding source. The use of right to buy receipts is sufficient to be able to mitigate the impact of any loss of grant or increase in development costs in relation to the schemes at Wadloes Road, Ekin Road, Hawkins Road, Fulbourn Road, Aylesborough Close, Campkin Road and Water Lane. The current financial impact, both in terms of total revised scheme costs and funding mix is shown in the following table.

Scheme	HRA BSR Gross Affordable Housing Cost for Approval	Funding Stream			
		Land Subsidy	HCA and Other Grants	Retained Right to Buy Receipts	Net HRA Resources
Jane's Court	2,733,070	(1,500,000)	(354,460)	0	(878,610)
Latimer Close	2,445,600	(875,860)	(212,680)	0	(1,357,060)
Barnwell Road	2,111,190	(1,043,550)	(212,680)	0	(854,960)
Campkin Road	4,275,620	(1,557,520)	(230,400)	0	(2,487,700)
Colville Road	3,091,620	(1,598,030)	(336,740)	0	(1,156,850)
Stanesfield Road	1,107,430	(536,890)	(170,890)	0	(399,650)
Atkins Close	1,224,180	(635,750)	(141,780)	0	(446,650)
Wadloes Road	1,001,730	(231,550)	0	(300,520)	(469,660)
Hawkins Road	1,493,890	0	0	(448,170)	(1,045,720)
Fulbourn Road	1,399,470	0	0	(419,840)	(979,630)
Ekin Road	1,132,760	0	0	(339,830)	(792,930)
Water Lane	2,206,550	(561,590)	0	0	(1,644,960)
Aylesborough Close	4,360,880	(1,562,880)	0	0	(2,798,000)
<b>Total 3 Year Programme</b>	<b>28,583,990</b>	<b>(10,103,620)</b>	<b>(1,659,630)</b>	<b>(1,508,360)</b>	<b>(15,312,380)</b>

As the point at which each scheme received specific committee approval, the indicative cost of the scheme was incorporated into the Housing Capital Investment Plan. As each scheme design progresses and planning approval is achieved, revised and more accurate scheme costs are available. It is not until the build contract for each scheme becomes unconditional, that the final scheme budget can be confirmed. As part of the HRA Budget Setting Report, the latest scheme appraisal costs have been incorporated into the financial models, and therefore the Housing Capital Investment Plan.

The table below shows the status of each scheme in this programme:

Scheme	Status	HRA MFR Approved Social Housing Units	HRA MFR Net Funding Approved (Capital Cost net of Grant and Land Transfer)	HRA BSR Revised Social Housing Units for Approval	Percentage Social Housing on Site	HRA BFR Net HRA Funding for Approval (Capital Cost net of Grant, Land Transfer and RTB Receipts)
Jane's Court	Complete	20	878,610	20	59%	878,610
Latimer Close	Unconditional	12	1,357,060	12	60%	1,357,060
Barnwell Road	Unconditional	12	854,960	12	59%	854,960
Campkin Road	Unconditional	20	2,363,640	20	63%	2,487,700
Colville Road	Unconditional	19	1,156,850	19	58%	1,156,850
Stanesfield Road	Unconditional	4	399,650	4	50%	399,650
Atkins Close	Unconditional	8	446,650	8	67%	446,650
Wadloes Road	Unconditional	6	568,760	6	67%	469,660
Hawkins Road	Not in Contract	9	1,193,990	9	100%	1,045,720
Fulbourn Road	Not in Contract	8	1,127,200	8	100%	979,630
Ekin Road	Not in Contract	6	828,520	6	100%	792,930
Water Lane	Not in Contract	14	1,644,960	14	58%	1,644,960
Aylesborough Close	Unconditional	20	2,659,070	20	57%	2,798,000
<b>Total</b>		<b>158</b>	<b>15,479,920</b>	<b>158</b>	<b>63%</b>	<b>15,312,380</b>

The Housing Capital Investment Plan, an updated version of which is attached at Appendix I, incorporates the funding for new build schemes as identified in the tables

above. It recognises the need for gross spend on the affordable housing scheme, land values, grant and right to buy receipts to be shown separately, but arriving at the net cash cost to the Council as per the table above. For these purposes the use of retained right to buy receipt is treated as an external funding source, recognising that failure to utilise it as required statutorily, would result in the need to pay the receipt over to Central Government

As an addition to the 2011-15 New Build Programme, the assumption remains that the authority purchases a further 13 dwellings on the development sites at Colville Road, Wadloes Road and Atkins Close, which were previously ear-marked for market sale. The authority has already exchanged contracts in respect of 9 of the dwellings and will deliver the remaining 4 dwellings via a direct build contract. This decision allows the use of further retained right to buy receipt.

A single additional dwelling will also be completed during 2014/15 at Anstey Way, where Hill have provided an affordable home for the price of the HRA land upon which they have erected a single market property for sale, as a pilot project for the Clay Farm development.

## New Build – Clay Farm

Work is progressing with Hill, for the development of the Clay Farm site, which will deliver 104 new affordable dwellings which the City Council will own and manage. Following consideration at Community Services Committee in January 2014 and subsequent approval by Council in February 2014, the scheme will deliver a tenure mix comprising 78 affordable rented dwellings and 26 shared ownership dwellings.

The scheme was considered by the Planning Committee in November 2014, where planning permission was granted. Work is anticipated to start on site in April 2015, with the first homes available for occupation by April 2016 and the site reaching completion in full by June 2017.

The funding mix for the scheme includes the use of retained right to buy receipts to fund 30% of the social rented housing on the site, which maximises the use of these receipts against this scheme. It is assumed that the balance of the costs will be met from existing HRA resource and borrowing, ensuring that the scheme incorporated into the Housing Capital Investment Plan is financially viable.

## New Build – Homerton

Approval in principle was given by Housing Scrutiny committee in September 2014 for the authority to deliver and manage the anticipated 39 units of affordable housing on the Homerton Development site. As with Clay Farm, the site as a whole is being built out by Hill. A planning application has been submitted for the scheme by Hill, with formal planning consideration anticipated by February 2015. If approval is given, it is anticipated that work could start on site in May 2015, with completion by May 2017. Scheme specific approval is being sought for this site as part of the January 2015 committee cycle, and the financial implications of the proposals have been incorporated into the financial forecasts for the HRA and into this budget setting report.

## New Build – Other

The Housing Capital Investment Plan also ear-marks significant resources for the period from 2015/16 for investment in other new build housing schemes. The authority is currently investigating a number of potential development opportunities, and is undertaking discussions with a number of external partners in this regard. The sites include the HRA owned sites that form part of the 3 year rolling programme, general fund owned sites, such as that at Mill Road and proposed / potential developments on land owned by other public bodies. Each of these potential investment opportunities and others as they arise, are investigated, with scheme specific proposals presented to Housing Scrutiny Committee once the initial feasibility work has been concluded.

Expenditure and funding sources, on a cashflow basis, for all new build schemes are detailed at Appendix F.

# Asset Disposals & Acquisitions

Consideration continues to be given to the strategic acquisition or disposal of assets, following approval of the HRA Acquisition and Disposal Policy in June 2013. The capital receipt generated by a strategic disposal can be retained in full by the authority, subject to offsetting it against the authority housing capital allowance and utilising it to invest in affordable housing. Receipts from individual asset disposals continue to be recognised in the HRA's reserves only at the point of receipt and after all relevant costs have been provided for.

The following HRA assets have recently been, or are being, considered for market acquisition or disposal:

Potential Acquisition / Disposal / Change of Use	Comment	Status
18A Magrath Avenue	Dwelling requires significant investment. Approval to dispose of leasehold dwelling and freehold jointly with the neighbour to achieve the benefit of a share in the higher marriage value for the asset as a whole.	In negotiation
Engineers House	Dwelling is a 3-bedroomed detached house in a non-estate location. Options for this property are currently being considered as the dwelling is vacant.	Under Investigation
Ex. Council Property	Dwelling is a 2 bedroom flat, which was previously sold under the right to buy, with the owner occupier offering the Council the opportunity to buy back if desired.	Under Investigation
Ex. Council Property	Dwelling is a 2 bedroom bungalow, which was previously sold under the right to buy, with the owner occupier offering the Council the opportunity to buy back if desired.	Under Investigation

All ex-Council dwellings that are subject to the right of first refusal legislation continue to be considered for re-purchase against the criteria agreed when the legislation was

introduced, including whether a property meets an identified need for specific accommodation or could form part of a site assembly for a future re-development.

Officer decisions about the future of existing shared ownership assets are now made in line with the delegations agreed at Community Services Scrutiny Committee in January 2014, with options to:

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

The agreement with Communities and Local Government (CLG) to retain additional right to buy receipts for re-investment in the provision of new affordable housing allows the strategic acquisition of existing dwellings in the city, as an alternative to building new dwellings. Although this is a less attractive proposition than the creation of a new dwelling for the city, it is none the less a viable option to increase the supply of social housing in the city, where new build is not possible within a quarterly deadline for the use of retained receipts.

It is likely that a mix of new build and acquisition of existing dwellings will be required in 2015/16, with any acquisitions being funded from the capital sums ear-marked for new build funded partly by unallocated right to buy receipts. A separate future report will be presented to Housing Scrutiny Committee, considering the process for delegation and approval for the strategic acquisition of properties, recognising the need to act quickly in the market place.



# Capital Bids

Detailed in Appendix D are the capital bids for the period from 2015/16 to 2019/20, with the impact of these incorporated into the Housing Capital Investment Plan presented at Appendix I. The bids include:

- One-off capital funding of £22,500 in 2015/16, for the purchase and implementation of the self-service (customer facing) module of the Orchard Housing Management Information System, should the benefits be clearly demonstrable once the business case for purchase is complete.
- One-off contribution of £30,000 in 2015/16, to the Sub-Regional Choice Based Lettings partnership for a contribution towards the purchase and implementation of a replacement Choice Based Lettings IT system, should replacement be deemed the appropriate route following a forthcoming review of the system.

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

- Amending the asset life for PVCU windows in line with the proposal on page 41 of this document, from the previous 25, to a 40 year life cycle. This change delivers a saving in capital investment in the existing housing stock of approximately £10 million over the next 10 years, after which time the programme of replacement would begin again.
- Re-allocation of backlog resource of £976,000, originally ear-marked for works to communal areas, which had previously been re-phased into 2015/16 and 2016/17 where works were not delivered in the earlier years of self-financing whilst surveys were undertaken. It is proposed to instead ear-mark this funding in 2015/16 and 2016/17 for potential investment in some of the larger garage sites, where either major remedial works are required or it is considered that demand would be

higher with significant investment in the blocks. A business case will be prepared before any resource is committed to a specific scheme, which will be considered by Housing Management Team and pre-approved by the Director of Customer & Community Services before the Executive Councillor for Housing is asked to approve that a project can proceed.

- Amendments to the approved level of investment for the schemes in the 2011-15 new build programme, as detailed earlier in this section of the report.
- Amendments to the approved funding mix for the schemes in the 2011-15 new build programme, in response to both changes in HCA grant expectations and in costs, as detailed earlier in this section of the report.
- Inclusion of funding for the Homerton development as outlined earlier in this section of the report, and in line with the scheme specific report being presented as part of the January 2015 committee cycle.
- Amendments to the level of resource ear-marked for investment in the acquisition or creation of new social housing, based upon the latest projections of investment required to be in a position to continue to retain and appropriately utilise right to buy receipts.
- Re-direction of existing resource previously identified as Cambridge Standard Investment, to create a new City Homes Estate Improvement Programme, with a view to increasing the future level of investment in this area, as part of the Fundamental Review of the HRA and Housing Service which will take place during 2015.

# Section 6

## HRA Treasury Management

### Background

It is a statutory requirement for a Housing Revenue Account Council to set a balanced budget, recognising the revenue implications that arise from capital financing decisions. When approving any capital expenditure in the Housing Revenue Account, consideration is given not only to the ability to fund the direct capital expenditure, but also to the revenue implications of both the financing decision and the ongoing cost of managing and maintaining the asset.

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

### Current HRA Borrowing

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

As at 1 April 2014, the Housing Revenue Account was supporting two forms of borrowing, internal and external.

## External Borrowing

Based on the final self-financing determination, the HRA supports borrowing of £213,572,000 from the Public Works Loans Board (PWLB), in a portfolio of 20 maturity loans of equal value, at preferential rates ranging between 3.46% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £10,678,600 due to be repaid on 28<sup>th</sup> March 2038, and the last on 28<sup>th</sup> March 2057.

## Internal Borrowing

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

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

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

## Future Borrowing

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

The latest financial projections, incorporated into this Budget Setting Report, indicate that the HRA will be required to borrow during 2016/17 and 2017/18.

As part of the lead-in to borrowing, consideration will be given to the source of borrowing, and both the type and length of loan that will be taken out, in the context of the financial environment at the time.

### **Borrowing Source**

The result of work undertaken previously indicates that the following borrowing sources are the most likely routes to be pursued:

- Internal Borrowing – Subject to available resource in the General Fund, and the ability for the General Fund to commit to lending for the length of time required by the HRA and at competitive interest rates. May be more appropriate to meet shorter-term borrowing requirements. Has the advantage of retaining any interest paid within the Council overall, and provides benefits to the General Fund, if the negotiated interest rate payable exceeds the sum that would otherwise be earned on cash balances.
- Inter-Authority Borrowing - Subject to engagement by other public bodies with available resource, and the ability for the organisation to commit to lending for the length of time required by the HRA and at competitive interest rates
- PWLB Borrowing – Guaranteed availability of resource, with a range of borrowing types and loan lengths. Potential to benefit from the current Certainty Rate, which provides a 20 basis point reduction in the standard rate until October 2015

### **Borrowing Type**

Borrowing can be taken out on either fixed or variable interest rates, with the latter clearly carrying significantly more risk in respect of long-term borrowing. The types of borrowing available through the PWLB include:

- Maturity Loans – Interest only paid throughout the life of the loan, with the capital sum due at the end of the borrowing term. Minimises payment required during the life of the loan, but requires set-aside to allow for repayment of the principal sum, or a clear acceptance that the loan will be re-financed accepting the resulting risks in prevailing interest rates at the time. Retains the greatest flexibility.
- Equal Instalments of Principal (EIP) Loans – Payments include equal instalments of principal and reducing interest sums as throughout the life, with interest reducing in line with principal repaid. Results in higher payments during the earlier years of borrowing
- Annuity Loans – Both principal and interest repaid throughout the life of the loan, with periodic sums payable remaining static. As the loan balance reduces, the value of the principal being paid increases and the interest reduces

### **Length of Borrowing**

When determining the length that borrowing should be taken out over, consideration needs to be given to the interest rates available at the time, in comparison with predicted future rates and borrowing requirements. These considerations need to be coupled with the specific purpose of the borrowing, with the break-even and pay-back periods for the investment forming a key part of the borrowing decision. Far lower interest rates are available for short-term borrowing than long-term, but the authority needs not only to be able to support the borrowing during the life of the loan, but also be in a position to redeem the loan when it matures or support its refinancing.

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

## **Debt Repayment / Re-Investment**

## Set-Aside for Repayment of HRA Debt

The debt repayment strategy approved as part of the 2014/15 HRA Budget Setting Report revised the initial decision to set-aside resource to repay all of the housing debt, and instead approved that the HRA set-aside sufficient resource to redeem 25% of the HRA debt from the point at which the loan portfolio begins to mature, in 2037/38.

The table below shows the current PWLB loan portfolio:

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

The current debt repayment strategy allows the investment of significant resource that would otherwise be set-aside for the future repayment of housing debt, to instead be re-invested in meeting housing priorities, with the delivery of new affordable housing being one of the key areas of spending.

The strategy makes the assumption that HRA surpluses will be invested in income generating assets, to ensure that the business plan is able to support re-financing of the remaining 75% of the existing housing debt when loans reach maturity.

In measuring the ability to utilise HRA revenue surpluses for re-investment in the future housing business, the following assumptions have been made as part of the 2015/16 budget setting process:

- Land is available at nil cost , ie; provided by developers as part of their affordable housing contribution
- New build to code level 4 or above at a cost of £153,750 per property
- Acquisition Cost - £300,000 per unit, where applicable
- No HCA Grant
- Retained right to buy receipts as a funding source on an ongoing basis
- 100% affordable rented units, with rental income no greater than the LHA rates
- Voids and bad debts as per existing HRA stock
- Management, maintenance and major repairs broadly in line with existing stock assumptions

Based upon the above assumptions, it is estimated that there is capacity to deliver around 1,470 new affordable homes during the life of the HRA Business Plan, in addition to those that already have scheme specific approval in the early years of the plan.

To retain flexibility in the debt repayment strategy, any surplus generated since April 2012, and any further resource identified for future debt repayment, will not be formally



set-aside, but will instead be held in an ear-marked reserve to allow for either repayment of debt or future re-investment.

### **Premature Repayment of PWLB Debt**

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

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

In light of the current debt repayment strategy and the low rates that were secured on 28<sup>th</sup> March 2012 to fund the self-financing settlement, it is likely that early surpluses generated will be used to re-invest in increasing the supply of income generating assets, and therefore early redemption of debt is unlikely at this stage.

## **Treasury Management Summary**

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

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

- If borrowing from the PWLB, the previous approach of taking out maturity loans to provide flexibility and reduce risk is continued
- The term of the loan should be considered based upon the break-even and payback of the scheme and the impact on the HRA's cashflow, with the aim that schemes should payback within a target of 30 years, with 35 years as the maximum

# Section 7

## Summary and Overview

### Equality Impact Assessment, Uncertainties and Risk

#### **Equality Impact Assessment**

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

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

As a key element of considering the changes proposed in this Budget Setting Report, Equality Impact Assessments have been undertaken in respect of all of the 2015/16 HRA Budget proposals, where any impact is anticipated. The assessments identify the impact that financial proposals could have on equality groups, together with mitigation arrangements. They also include an action plan identifying how disadvantage or negative impact can be addressed, together with timescales and details of lead officers. All of the Equalities Impact assessments are available on the Council's website.

A composite Equalities Impact Assessment for the HRA budget as a whole, is presented at Appendix J.

## **Risk Assessment**

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

Update of the key risks and associated mitigating actions is presented at Appendix E.

# HRA Reserves

## **Housing Revenue Account General Reserves**

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

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

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

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

## Financial Assumptions and Sensitivity

The current financial assumptions, reviewed and used as part of this BSR are detailed in Appendix A. The assumptions are derived from information available at the time of preparing this report, utilising both historic trend data and the expert advice and opinion of specialists in the field of housing finance, treasury management and asset management, where required.

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

Appendix G provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2015/16.

## Options and Conclusions

### Overview

The budget for 2015/16 has been considered in the wider context of the locally identified housing priorities, which seek to achieve a balance of investment in housing assets and services between:

- Investment in the existing housing stock
- Investment in new affordable housing

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

## Summary and Conclusions

The work undertaken as part of the 2015/16 budget process to date has resulted in the development of proposals for the base budget of the Housing Revenue Account.

During January 2015 Housing Scrutiny Committee will consider the budget proposals, prior to the Executive Councillor for Housing making decisions and further recommendation for the final HRA Budget for 2014/15 to 2019/20 to Council for consideration and approval.

The HRA Budget Setting Report recommends, in summary:

Approval of rent and service charges

Approval of the revised budget proposals

Approval of the unavoidable revenue bid proposals

Approval of the general savings proposals

Approval of the business transformation savings

Approval of the non-cash limit items

Approval of the PPF bids

Approval of the capital bids, revised scheme costs and funding mix

Approval of capital resource re-allocation

The meeting of Council on 26<sup>th</sup> February 2015 will consider the final proposed Housing Capital Budget as identified in this report for approval.

The review of key factors undertaken and presented in this report shaped the approach for finalising the budget for 2015/16. As part of the 2015/16 budget process, significant savings have been identified, particularly in the revenue aspects of the

repairs service and resulting savings from a review of repairs and renewals fund contribution rates. Savings were partially offset by pressure from unavoidable revenue bids, which were identified across a number of areas of the housing service, but particularly in increased costs for central and support service recharges from the General Fund, as the HRA's call on these resources increases in line with increased housing activity.

A reduction of £1,084,630 in revenue costs for 2014/15 has been identified as part of this report, which will be returned to reserves, and utilised to increase direct revenue financing of capital expenditure in 2015/16, thus deferring the need to borrow for a further year, until 2016/17.

The overall position for the HRA for 2015/16 (including PPF's and non-cash limit adjustments) is under-achieved in 2015/16 by £970,100, but over-achieved by £149,150 in 2016/17 and £56,560 in 2017/18. Of the underachievement in 2015/16 £779,970 is an intentional use of additional revenue resource to finance capital expenditure to negate the need to borrow to meet capital investment commitments.

In 2018/19 the impact of assumed additional pension fund contributions results in an overall under-achievement of £24,440, rising to £195,440 from 2019/20. Response to the financial impact of this non-cash limit adjustment in the later years will form part of the 2016/17 budget strategy

As part of the budget process consideration is given to whether the perceived benefits of strategic investment in new areas, outweigh any anticipated negative impact of the savings proposed as part of the HRA budget process.

The HRA's approach to long-term financial planning incorporates the assumption that surplus resource will be used to re-invest in income generating assets whilst maintaining prudent financial assumptions in ongoing investment need in the current housing stock.

# Business Planning Assumptions

# Appendix A

Key Area	Assumption	Comment	Status
General Inflation (CPI)	2%	General inflation on expenditure included at 2% (Based upon CPI to June 2014), from 2015/16.	Retained
Capital Inflation	5% for 5 years, then 3% ongoing	Real increase above CPI of 3% for 5 years, then reverting to 1% above CPI from 2020/21.	Retained
Debt Repayment	Set-aside 25% to Repay Debt	Assumes surplus is re-invested in income generating assets, with 25% of resource set-aside to repay debt as loans reach maturity dates.	Retained
Capital Investment	Partial Investment Standard (in 10 Years)	Base model assumes partial investment standard in the housing stock, compared with a basic decent homes standard. This will be reviewed again during 2015/16.	Retained
Pay Inflation	<b>1.9% Pay Progression plus:</b> 2014/15 – 1.0% 2015/16 – 1.0% 2016/17 – 1.5% 2017/18 – 2.0% 2.5% ongoing	<b>Assume allowance for increments at 1.9%. Pay inflation for 2014/15 and 2015/16 at 1% and a stepped increase thereafter, reflecting economic recovery. Separate allowance made for current LGA proposals of 2.2% from January 2015 to cover both 2014/15 and 2015/16 in one.</b>	<b>Amended</b>
Employee Turnover	3%	Employee budgets assume a turnover saving of 3.0% of gross pay budget for office-based staff.	Retained
Rent Increase Inflation	2.2% for 2015/16 3% for 9 years, then 2.5%	<b>Rent increases in line with government guidelines of CPI at the preceding September plus 1% from 2015/16 to 2024/25, then CPI plus 0.5%. CPI in September 2014 was 1.2%. CPI ongoing as above.</b>	<b>Amended</b>
Rent Convergence	Energy Efficient Voids Only	Ability to move to target rent achieved only through movement of energy efficient void properties directly to target rent.	Retained
External Lending Interest Rate	0.64%, 1.04% for 5 years, then 1% ongoing	<b>Interest rates based on latest market projections, an average of 0.64% for 2014/15, 1.04% from 2015/16 for 5 years, and then 1% from 2020/21.</b>	<b>Amended</b>



Key Area	Assumption	Comment	Status
Internal Lending Interest Rate	0.64%, 1.04%, for 5 years, then 1% ongoing	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment the General Fund over the longer term.	Amended
External Borrowing Interest Rate	4%	Assumes additional PWLB borrowing at a rate of 4%. Current rates for 25 to 50 years are between 3.87% and 3.9%. Reduce prudently to 4%.	Amended
Internal Borrowing Interest Rate	4%	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Amended
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, recognising risks in a Self-Financing environment.	Retained
HRA Target Balances	£3,000,000	Maintain HRA target balance at £3,000,000.	Retained
Right to Buy Sales	60, 50, 40, 30, then 20 sales ongoing	Scheme reinvigoration has prompted sustained increased activity. Assume 60 for 2014/15, reducing by 10 sales per annum, until 20 are assumed on an ongoing basis.	Retained
Right to Buy Receipts	Settlement right to buy and assumed one-for-one receipts included	Debt settlement receipts included, assuming the receipts utilised partly for general fund housing purposes. Anticipated one-for-one receipts included, but prudently only those received to date are committed to specific new build schemes. Debt repayment proportion has currently been set-aside.	Retained
Void Rates	1%	Assumes 1% per annum from 2015/16 onwards.	Retained
Bad Debts	0.56% for 2014/15 and 2015/16, then 1.12%	Bad debt provision in the HRA increased by 100% to reflect the requirement to collect 100% of rent directly, with the implementation of Universal Credit now assumed from 2016	Retained
Rent Collection Transactional Costs	Increase in transactional costs of £100,000 per annum from 2016/17	An increase of £100,000 per annum was included anticipating an increase in transactional collection costs associated with the requirement to collect 100% of rent directly from tenants, as opposed to receiving approximately 50% via housing	Amended

Key Area	Assumption	Comment	Status
		<b>benefit. Universal Credit delayed now until 2016, with cost collection assumption again deferred by one year.</b>	
Debt Management Expenses	£21,180 per annum	Internal treasury management is recharged within existing SLA's. This allows a provision for specialist financial advice in this field, still included from 2015/16 in case the need arises.	Retained
Savings Target	2%	Target included assuming efficiencies will be driven out to allow strategic re-investment. Target is a percentage of net general management and repairs administration expenditure.	Retained
Responsive Repairs Expenditure	Adjusted pro rata to stock changes	An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers.	Retained
Policy Space	£150,000	Policy space retained in base model at the level of £150,000 for 5 years recognising desire to expand services and respond to external pressures. To be reviewed again as part of 2015/16 HRA MFR.	Retained
Transformation	On case by case basis	Transformation programme outcomes assumed to deliver to the HRA as indicated in each business case.	Retained

# Service Charges

# Appendix B

Charge Description	Charges 2014/15	Charge Basis	Charges 2015/16
<b>General Stock and Housing for Older People</b>			
Caretaking Charge	£0.80 to £6.48	Per Week Over 48 Weeks	A
Communal Cleaning	£1.11 to £4.70	Per Week Over 48 Weeks	A
Estate Services Champion	£0.79	Per Week Over 48 Weeks	A
Window Cleaning	£0.01 to £1.53	Per Week Over 48 Weeks	A
Door Entry	£0.13 to £1.61	Per Week Over 48 Weeks	B
Passenger Lifts	£0.46 to £2.45	Per Week Over 48 Weeks	B
Gas Maintenance / Servicing	£2.10	Per Week Over 48 Weeks	A / B
Digital TV Aerial Charge	£0.44	Per Week Over 48 Weeks	A
Grounds Maintenance	£2.52	Per Week Over 48 Weeks	A
Parking Space	£7.28	Per Week Over 48 Weeks	£7.43
Community Alarm Charge	£4.41	Per Week Over 48 Weeks	C
<b>General Sheltered Schemes</b>			
Premises Charge	£1.02 to £21.54	Per Week Over 48 Weeks	A
Communal Heating / Lighting	£2.57 to £8.78	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£5.82 to £12.66	Per Week Over 48 Weeks	A
Water	£2.26 to £3.51	Per Week Over 48 Weeks	A
Grounds Maintenance	£0.88 to £2.29	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£2.71 to £4.95	Per Week Over 48 Weeks	B
Sheltered Support Charge	£9.00 to £10.46	Per Week Over 48 Weeks	C
<b>Ditchburn Place</b>			
Premises Charge	£2.88 to £46.80	Per Week Over 48 Weeks	A
Flat Cleaning / Laundry Charge	£25.44	Per Week Over 48 Weeks	A
Communal Heating / Lighting	£0.65 to £5.98	Per Week Over 48 Weeks	A

Individual Heating / Lighting	£7.17 to £11.56	Per Week Over 48 Weeks	A
Water	£4.39 to £5.49	Per Week Over 48 Weeks	A
Catering	£94.90	Per Week Over 48 Weeks	A
Grounds Maintenance	£1.74	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£2.55	Per Week Over 48 Weeks	B
Sheltered Support Charge	£10.46	Per Week Over 48 Weeks	C
Extra Care Support Charge	£26.47	Per Week Over 48 Weeks	C
Launderette – Wash / Dry	£6.50	Per Load As Requested	A
<b>Temporary Accommodation</b>			
Premises Charge	£45.76 to £53.77	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£15.98 to £27.16	Per Week Over 48 Weeks	A
Water	£7.02	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£3.66 to £7.41	Per Week Over 48 Weeks	B
<b>Independent Living Services</b>			
Private Lifelines - In City	£4.65	Per Week Over 52 Weeks	£4.65
Private Lifelines - Out City	£7.53	Per Week Over 52 Weeks	£7.53
Keysafe / Keyholding Charge	£1.88	Per Quarter	£1.88
Warden Agencies	£4.04	Per Week Over 52 Weeks	£4.04
Monitoring Charge	£0.32	Per Week Over 52 Weeks	£0.32
<b>Leasehold Charges for Services</b>			
Solicitors' pre-sale enquiries	£75.00	As Requested	£75.00
Copy of lease	From £20.00	As Requested	From £20.00
Re-mortgage Enquiry/Copy of Insurance schedule	£25.00	As Requested	£25.00
Notice of Assignment/Notice of Charge	£75.00	As Requested	£75.00
Deed of Variations	£150.00	As Requested	£150.00
Retrospective consent for improvements	£25.00	As Requested	£25.00

Registering sub-let details	£50.00	As Requested	£50.00
Initial Administration Fee/Survey for Application to purchase Loft Space	£150.00	As Requested	£150.00

Key	
A	These charges are currently (or will be - in the case of any new charges), based on recovering the actual cost of service provision and the proposal is to continue to recover the full estimated cost of providing these services in 2015/16.
B	These charges were separated out from pooled rent in 2004/05, and therefore can be increased to recover full cost up to a maximum of inflation at 2.2% (CPI at September 2014 plus 1%) for future years.
C	Charges levied for support activities will be reviewed in line with services being provided following expansion of the support service for older people, where the County Council now commission services across the city as a whole.
	Charges for the optional household contents insurance scheme will continue to be determined by the insurer but notified to tenants by the Council.

## HRA Earmarked & Specific Funds

## Appendix C

(£'000)

Repairs & Renewals *	Opening Balance	Contributions	Expenditure to Oct	Current Balance
General Management	(1,265.2)	(131.7)	6.2	(1,390.7)
Special Services	(1,073.6)	(141.1)	45.0	(1,169.7)
Repairs and Maintenance	(53.3)	(56.9)	0.0	(110.2)
Totals	(2,392.1)	(329.7)	51.2	(2,670.6)

Major Repairs Reserve	Opening Balance	Contributions	Expenditure to Oct	Current Balance
MRR	(4,920.0)	0.0	0.0	(4,920.0)

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

Tenants Survey	Opening Balance	Contributions	Expenditure to Oct	Current Balance
Tenants Survey	(41.5)	(6.2)	17.7	(30.0)

Aerial – Roof Space Rental	Opening Balance	Contributions	Expenditure to Oct	Current Balance
Aerial Income	(107.0)	(17.8)	0.0	(124.8)

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

<b>Debt Set-Aside (Revenue)</b>	<b>Opening Balance</b>	<b>Contributions / Adjustments</b>	<b>Expenditure to Oct</b>	<b>Current Balance</b>
Debt Set-Aside	(1,090.4)	0.0	0.0	(1,090.4)

\* The balance in respect of the HRA Repairs and Renewals Funds will be reduced in year, following approval of the HRA Budget Setting Report, by a total of £823,400, following a fundamental review of both the fund required to date, and contributions required on an annual ongoing basis. The review resulted in the proposal to reduce the balance of the General Management funds by £549,010 and the Special Services funds by £356,450, whilst including additional resource of £82,060 in the Repairs and Maintenance fund, recognising the location of both office based staff and equipment across the service. The net funds released, totalling £823,400 will be transferred into general HRA reserves for re-investment elsewhere.

\*\* The balance in the HRA Pension Reserve is no longer needed following the outcome of the latest triennial review. The net funds released, totalling £389,960 will be transferred into general HRA reserves for re-investment elsewhere and the fund will be terminated.

## 2015/16 Budget - HRA All Revenue Items

Page 1 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Reduction required to Cash Limit

## Housing Revenue Account

RCL3504	HRA Savings Target (excludes any reduction in response repair budgets, as a net increase in HRA stock is anticipated in 2015/16)	0	113,000	113,000	113,000	113,000	Julia Hovells	n/a
---------	---	---	---------	---------	---------	---------	---------------	-----

*In addition to a savings assumption at 2% of general management and repairs administration expenditure in the HRA, an adjustment is also made in response repairs for any anticipated change in stock levels. For 2015/16 a net increase in housing stock is anticipated, so instead of an increase in the savings target as has applied in previous years, additional funding has been included in the base budget for response repairs to meet this anticipated additional cost.*

Total Reduction required to Cash Limit in  
Housing Revenue Account

0	113,000	113,000	113,000	113,000
---	---------	---------	---------	---------

## Total Reduction required to Cash Limit

0	113,000	113,000	113,000	113,000
---	---------	---------	---------	---------



## 2015/16 Budget - HRA All Revenue Items

Page 2 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Programme

### Housing Revenue Account

PROG3661	Reduction in support and central costs through a Council wide Support Services Review	0	(34,000)	(122,000)	(175,000)	(200,000)	Paul Boucher	Nil
----------	---	---	----------	-----------	-----------	-----------	--------------	-----

As the Council moves to other ways of delivering services and our own support service demands reduce, there is a need to balance the books by reducing our support and central costs relating to property, people, technology and other supplies and services. We are undertaking a phased approach to this project as we are at the early stages of developing and implementing alternative service delivery models and the future is uncertain. [Linked to PROG3662 & PROG3686]

Phase 1 of this project will focus on removing costs from ICT and transactional finance activity; Phase 2 will focus on removing costs from business support activity and other support functions and Phase 3 will review all remaining areas particularly those required to initially support the Transformation Programme.

PROG3662	Costs of delivering change in respect of support and central services	0	38,000	95,000	95,000	33,000	Caroline Ryba	Nil
----------	---	---	--------	--------	--------	--------	---------------	-----

There will be costs associated with the transformation proposed as part of the review of support and central services, with the need to meet any exit costs associated with the implementation of new service delivery models. [Linked to PROG3661]

PROG3709	ICT Shared Service	0	(25,000)	(37,000)	(50,000)	(62,000)	Ray Ward	Nil
----------	--------------------	---	----------	----------	----------	----------	----------	-----

The shared ICT service with South Cambridgeshire District Council and Huntingdonshire District Council will produce savings by reviewing management arrangements; delivering a package of IT standardisation and reducing external expenditure. This proposal represents the HRA element of the total saving. [Linked to PROG3687 - General Fund element of saving.]

PROG3710	Legal Shared Service	0	(7,000)	(7,000)	(7,000)	(7,000)	Ray Ward	Nil
----------	----------------------	---	---------	---------	---------	---------	----------	-----

The shared Legal service with South Cambridgeshire District Council and Huntingdonshire District Council will produce savings through a number of measures including reviewing the current legal personnel structure, ensuring that we assign activity more efficiently; reviewing our use of external legal advice in light of the expertise and capacity that exists across the shared service and reviewing the current legal support administrative arrangements, bringing together the systems and processes of all three councils into one consistent approach. This proposal represents the HRA element of the total saving. [Linked to PROG3688 - General Fund element of saving.]

<b>Total Programme in Housing Revenue Account</b>		<b>0</b>	<b>(28,000)</b>	<b>(71,000)</b>	<b>(137,000)</b>	<b>(236,000)</b>		
<b>Total Programme</b>		<b>0</b>	<b>(28,000)</b>	<b>(71,000)</b>	<b>(137,000)</b>	<b>(236,000)</b>		

## 2015/16 Budget - HRA All Revenue Items

Page 3 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

## Housing Revenue Account

<b>S3507</b>	<b>Saving from cash limiting supplies and services budgets</b>	0	(10,140)	(10,140)	(10,140)	(10,140)	Julia Hovells	Nil
--------------	--	---	----------	----------	----------	----------	---------------	-----

A decision to cash limit the budgets for all supplies and services, except those where specific or contractual arrangements are in place, results in the delivery of a saving across the HRA as a whole.

<b>S3508</b>	<b>Reduction in budget for operational cost across City Homes.</b>	0	(19,440)	(19,440)	(19,440)	(19,440)	Robert Hollingsworth	Nil
--------------	--	---	----------	----------	----------	----------	----------------------	-----

Based upon prior year spending, it is proposed to reduce City Homes operational budgets, to include removal of photocopying budgets and reductions in recruitment costs, printing, postage, telephones and books and publication budgets.

<b>S3509</b>	<b>Reduction in budgets for servicing and maintenance contracts across the housing stock</b>	0	(82,500)	(82,500)	(82,500)	(82,500)	John Horwood	Nil
--------------	--	---	----------	----------	----------	----------	--------------	-----

The result of a zero-based budget exercise culminates in proposals to reduce budgets for door entry maintenance (£13,000), gas maintenance (£34,500), lift maintenance (£15,500), fire extinguisher maintenance (£3,000), adaptation maintenance (£1,500), asbestos management and lamp column maintenance (£15,000), in line with contract sums and prior year spending profiles.

<b>S3514</b>	<b>Reduction in budget for operational cost across the Independent Living Service</b>	0	(4,360)	(4,360)	(4,360)	(4,360)	Frances Swann	Nil
--------------	---	---	---------	---------	---------	---------	---------------	-----

Based upon prior year spending, it is proposed to reduce Independent Living Service operational budgets, to include reductions in printing, photocopying, postage, telephone, building maintenance, equipment purchase and equipment maintenance budgets.

<b>S3516</b>	<b>Cessation of contract for administration of HRA mortgages</b>	0	(3,570)	(3,570)	(3,570)	(3,570)	Julia Hovells	Nil
--------------	--	---	---------	---------	---------	---------	---------------	-----

The last of the housing mortgages, historically given to allow residents to purchase their property under the Right to Buy legislation has now been redeemed, negating the need for a continued contract with an external supplier to administer the mortgage portfolio.

<b>S3517</b>	<b>Reduction in annual contribution to HRA Repairs and Renewals Funds</b>	0	(40,710)	(40,710)	(40,710)	(40,710)	Julia Hovells	Nil
--------------	---	---	----------	----------	----------	----------	---------------	-----

## 2015/16 Budget - HRA All Revenue Items

Page 4 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

A comprehensive review of the repairs and renewals funds held across the HRA as part of the fundamental review of the service, has resulted in the ability to significantly reduce the annual contribution to the fund. This is possible as asset lives have been reviewed based upon past experience of replacement and replacement prices have been reduced in line with corporate buying guides for furniture.

<b>S3518</b>	<b>HRA salary savings</b>	0	(7,970)	(7,970)	(7,970)	(7,970)	Julia Hovells	Nil
--------------	---------------------------	---	---------	---------	---------	---------	---------------	-----

Salary savings derived from recruitment to vacant posts at lower points than vacated, partially offset by an increase in the proportion of the Head of Strategic Housing charged to the HRA, recognising the impact of the HRA new build programme.

<b>S3522</b>	<b>Reduction in Void Repair budget</b>	0	(75,000)	(75,000)	(75,000)	(75,000)	Julia Hovells	Nil
--------------	--	---	----------	----------	----------	----------	---------------	-----

Changes in the way in which the Repairs Service is delivered, following the Repairs and Maintenance Improvement Plan, is anticipated to deliver a reduction in the cost of void repairs.

<b>S3642</b>	<b>Removal of contingency for Enhanced Housing Management Services</b>	0	(32,040)	(32,040)	(32,040)	(32,040)	Frances Swann	Nil
--------------	--	---	----------	----------	----------	----------	---------------	-----

Funding was ear-marked in a previous budget process to allow the retention of an enhanced housing management service across sheltered housing if the City Council were to lose the support contracts commissioned by the County Council. This contract has now been re-awarded for a period of up to 5 years, and the contingency is therefore not required.

<b>S3644</b>	<b>Reduction in sheltered scheme utilities</b>	0	(12,440)	(12,440)	(12,440)	(12,440)	Frances Swann	+L
--------------	--	---	----------	----------	----------	----------	---------------	----

A review of the budgets for gas, electricity and water based upon prior year expenditure, results in a net reduction in budget requirement across the sheltered housing stock.

<b>S3660</b>	<b>Removal of budget held in 2015/16 for direct collection of 100% of rent income</b>	0	(104,040)	0	0	0	Julia Hovells	Nil
--------------	---	---	-----------	---	---	---	---------------	-----

Additional funding was incorporated into the HRA recognising the need to collect 100% of rent directly after the implementation of Universal Credit. With implementation delayed until 2016, this funding is not expected to be required in 2015/16.

<b>S3731</b>	<b>Reduction in budget for the planned revenue prior-to re-paint (PTR) programme in 2014/15</b>	(1,100,000)	0	0	0	0	Will Barfield	Nil
--------------	---	-------------	---	---	---	---	---------------	-----

Due to a change in planned maintenance contractor, the 2014/15 PTR programme will not be delivered in year as originally budgeted.

## 2015/16 Budget - HRA All Revenue Items

Page 5 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

Total Savings in Housing Revenue Account	(1,100,000)	(392,210)	(288,170)	(288,170)	(288,170)		
Total Savings	(1,100,000)	(392,210)	(288,170)	(288,170)	(288,170)		

## 2015/16 Budget - HRA All Revenue Items

Page 6 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Unavoidable Revenue Pressure

## Housing Revenue Account

URP3506	Inability to recharge full costs of building cleaning services	0	65,660	0	0	0	0 Julia Hovells	Nil
---------	--	---	--------	---	---	---	-----------------	-----

A review of the cost of building cleaning services across the communal areas of the housing stock resulted in an increase in costs to the HRA from 2014/15 onwards. A decision was taken in the 2014/15 budget process not to pass the higher costs on to residents as the service was undergoing a review, with the anticipated outcome being a significant reduction in costs following a tender process which was expected to conclude before April 2015. This project has been delayed, which results in the need to either extend meeting the additional cost from HRA resources, or to pass on higher costs to residents temporarily.

URP3512	Increased revenue staffing cost for the work undertaken by the Energy Officer to conduct EPC's	0	33,860	33,860	33,860	33,860	Will Barfield	Nil
---------	--	---	--------	--------	--------	--------	---------------	-----

The requirement to produce Energy Performance Certificates for all dwellings at change of tenure has resulted in an increased revenue staffing cost, with the inspections predominantly being carried out by the Energy Officer. The Energy Officer was previously funded predominantly by capital grant income from the energy companies, which is no longer received.

URP3546	Adjustment to staff recharges between the General Fund and the HRA	0	64,860	64,860	64,860	64,860	Julia Hovells	Nil
---------	--	---	--------	--------	--------	--------	---------------	-----

Recharges for the Director of Customer & Community Services, Executive Team and Business Team have been reviewed in light of the changes in responsibility for service areas, with Estates and Facilities now managed in this department, whilst Customer Services have transferred to the Director of Business Transformation.

URP3643	Reduction in income to the HRA	0	9,020	9,020	9,020	9,020	Julia Hovells	Nil
---------	--------------------------------	---	-------	-------	-------	-------	---------------	-----

The level of service charge income for 2015/16 is anticipated to be marginally lower than previously predicted (£20,220), although this is expected to be partially offset by an over-achievement in garage income if lettings stay at the same level as in 2014/15 (6,780) and commercial property rental income (£4,420) if all rent reviews conclude as expected.

<b>Total Unavoidable Revenue Pressure in Housing Revenue Account</b>	<b>0</b>	<b>173,400</b>	<b>107,740</b>	<b>107,740</b>	<b>107,740</b>			
<b>Total Unavoidable Revenue Pressure</b>	<b>0</b>	<b>173,400</b>	<b>107,740</b>	<b>107,740</b>	<b>107,740</b>			

## 2015/16 Budget - HRA All Revenue Items

Page 7 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## PPF Funding

## Housing Revenue Account

FPPF3505	HRA Priority Policy Funding	0	(150,000)	(150,000)	(150,000)	(150,000)	Julia Hovells	n/a
----------	-----------------------------	---	-----------	-----------	-----------	-----------	---------------	-----

## Total PPF Funding in Housing Revenue Account

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

## Total PPF Funding

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

## 2015/16 Budget - HRA All Revenue Items

Page 8 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## PPF Bids

## Housing Revenue Account

PPF3511	Increased staffing capacity in Housing Development	0	9,110	0	0	0	Alan Carter	Nil
---------	--	---	-------	---	---	---	-------------	-----

An increased ability to investment in new build housing in the HRA necessitates an increase in staffing input. This proposal is to recruit to a shared post with South Cambridgeshire District Council. The HRA is expecting to contribute revenue resource for a proportion of this post directly, recognising the desire for the new post holder to explore and potentially set up a Joint Venture Company to aid and speed up the delivery of new Affordable Housing.

PPF3513	Increased staffing capacity to meet the Housing Plus Agenda	0	35,740	35,740	35,740	35,740	Robert Hollingsworth	Nil
---------	---	---	--------	--------	--------	--------	----------------------	-----

As part of the Housing Plus Agenda, it is proposed to recruit an additional member of staff to work with tenants to provide financial advice, support and advocacy to prevent households getting into financial crisis.

PPF3515	Increased staffing capacity within the Leasehold Services Team	0	21,410	21,410	0	0	Andrew Latchem	Nil
---------	--	---	--------	--------	---	---	----------------	-----

As part of the agreed review of the leasehold service, a restructure of the team is proposed from 2015/16, which would see the establishment increased by approximately 0.6 full time equivalent staffing, to assist with the increased workload for the team. This cost will be recovered through service charges to leaseholders, but with a delay before it will appear as part of the actuals exercise undertaken annually.

PPF3520	Support and maintenance for a Self-Service Portal for the Housing Service	0	3,400	3,400	3,400	3,400	Julia Hovells	Nil
---------	---	---	-------	-------	-------	-------	---------------	-----

This bid would allow the authority to purchase ongoing support and maintenance for self-service access to housing tenants of the Council to the housing management information system, which would allow residents to check the status of their rent accounts, make payments and request and monitor progress about repairs. This PPF bid is linked to a capital bid for the purchase and implementation of the software.

PPF3521	Increase in the budget for the Under-Occupation Scheme	0	40,000	40,000	40,000	40,000	Andrew Latchem	Nil
---------	--	---	--------	--------	--------	--------	----------------	-----

Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis.

PPF3523	Employment of an additional Repairs Work Planner	0	28,400	28,400	28,400	28,400	Julia Hovells	Nil
---------	--	---	--------	--------	--------	--------	---------------	-----

**2015/16 Budget - HRA All Revenue Items**

Page 9 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

**PPF Bids**

*Employment of a second work planner in the repairs and voids service is required as a result of reductions in the use of external contractors, and an increase in the use of the internal team, allowing more effective management of the service.*

**Total PPF Bids in Housing Revenue Account**

0	138,060	128,950	107,540	107,540
---	---------	---------	---------	---------

**Total PPF Bids**

0	138,060	128,950	107,540	107,540
---	---------	---------	---------	---------



## 2015/16 Budget - HRA All Revenue Items

Page 10 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Non-Cash Limit Items

## Housing Revenue Account

NCL3555	Provision for currently proposed pay award for 2014/15 and 2015/16	0	18,000	18,000	18,000	18,000	Julia Hovells	Nil
---------	--	---	--------	--------	--------	--------	---------------	-----

Based upon the latest pay negotiations, a pay award of 2.2% is proposed, to be effective from January 2015 and to cover both pay reviews due in April 2014 and April 2015.

NCL3556	Reduction in rent income	0	285,800	285,800	285,800	285,800	Julia Hovells	Nil
---------	--------------------------	---	---------	---------	---------	---------	---------------	-----

The level of rent increase applicable from April 2015 will be driven by the Consumer Price Index (CPI) at September 2014, which the government seek to keep at 2%. In August 2014 inflation fell to 1.5% and again in September 2014 to a level of 1.2%, the lowest in 5 years. The unprecedented drop in inflation will result in a lower level of rent income in 2015/16 and beyond than anticipated (£290,000) as part of the HRA Mid-Year Financial Review. This is offset marginally by a reduction of £4,200 in the associated bad debt provision.

NCL3650	Reduction in capitalisation of Estates and Facilities Asset Management staff	0	90,500	90,500	90,500	90,500	Julia Hovells	Nil
---------	--	---	--------	--------	--------	--------	---------------	-----

The proportion of time charged to revenue and capital for the Estates and Facilities Asset Management Team has been reviewed, resulting in an increase in the time charged to revenue, directly offset by a reduction in the time charged against the capital programme, which will be reflected by a change in the level of Direct Revenue Financing of capital expenditure (DRF).

NCL3651	Reduction in estimated depreciation charge to the HRA	0	(113,030)	(113,030)	(113,030)	(113,030)	Julia Hovells	Nil
---------	---	---	-----------	-----------	-----------	-----------	---------------	-----

Based upon the latest estimates, the recharge to the HRA in respect of depreciation from 2015/16 is anticipated to be lower than previously assumed. This is due to the timing of delivery of the new build housing and the latest assumptions in property values and asset lives.

NCL3652	Changes in the level of Direct Revenue Financing of capital expenditure available	0	779,970	(90,500)	(90,500)	(90,500)	Julia Hovells	Nil
---------	---	---	---------	----------	----------	----------	---------------	-----

The proposed reduction in investment in the revenue planned repairs (PTR) programme in 2014/15 results in additional revenue resource that can be utilised to fund capital expenditure in 2015/16, negating the anticipated need to borrow in the coming year. From 2016/17 onwards, the ongoing impact of reducing the level of Estates & Facilities Asset Management Team recharged to capital will result in a reduction in the level of DRF required.

NCL3653	Removal of inflation allowances in the HRA where they are not required	0	(80,370)	(80,370)	(80,370)	(80,370)	Julia Hovells	Nil
---------	--	---	----------	----------	----------	----------	---------------	-----

## 2015/16 Budget - HRA All Revenue Items

Page 11 of 11

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Non-Cash Limit Items

The inflation applied to specific account codes in the HRA was lower than anticipated in totality for 2015/16 and specific revenue provisions made for responding to the delivery of new build housing have not been required as anticipated. Separate bids have been included for staffing resource where required.

<b>NCL3654</b>	<b>Changes in the level of interest paid and received by the HRA</b>	0	(100,070)	(100,070)	(100,070)	(100,070)	Julia Hovells	Nil
----------------	--	---	-----------	-----------	-----------	-----------	---------------	-----

The net level of interest payable by the HRA in 2015/16 will be lower than anticipated, as the availability of revenue resources to fund capital expenditure negate the need to borrow for another year.

<b>NCL3656</b>	<b>Under-achievement in rent income</b>	0	235,050	0	0	0	Julia Hovells	Nil
----------------	---	---	---------	---	---	---	---------------	-----

Delays in the delivery of some of the HRA new build programme will result in a lower level of rent income in 2015/16 than anticipated.

<b>NCL3712</b>	<b>Pension Fund Contributions</b>	0	0	0	180,000	360,000	Julia Hovells	Nil
----------------	-----------------------------------	---	---	---	---------	---------	---------------	-----

Increased contribution anticipated to the pension fund at the next triennial review. [Linked to NCL3674 General Fund element]

<b>NCL3732</b>	<b>Changes in interest payments</b>	15,370	0	0	0	0	Julia Hovells	Nil
----------------	-------------------------------------	--------	---	---	---	---	---------------	-----

The ability to set-aside revenue resource for future debt repayment, reduction in the revenue prior-to-re-paint programme and re-profiling of spend in the capital programme result in a net change in the interest payments and receipts anticipated in 2014/15.

<b>Total Non-Cash Limit Items in Housing Revenue Account</b>	15,370	1,115,850	10,330	190,330	370,330			
<b>Total Non-Cash Limit Items</b>	15,370	1,115,850	10,330	190,330	370,330			
<b>Report Total</b>	(1,084,630)	970,100	(149,150)	(56,560)	24,440			

## 2015/16 Budget - HRA All Capital Items

Page 1 of 1

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

## Housing Revenue Account

C3519	Purchase and implementation of a Self-Service Portal for the Housing Service	0	22,500	0	0	0	0 Julia Hovells	Nil
-------	--	---	--------	---	---	---	-----------------	-----

*This bid would allow the authority to investigate, and if proven beneficial, provide self-service access to housing tenants of the Council to the housing management information system, allowing residents to check the status of their rent accounts, make payments and request and monitor progress about repairs.*

C3537	Procurement and implementation of a replacement IT system for Choice Based Lettings	0	30,000	0	0	0	0 David Greening	Nil
-------	---	---	--------	---	---	---	------------------	-----

*The contract for the provision of the sub-regional Homelink choice based lettings IT system is due for re-procurement during 2015/16, with the City Council being required to meet its share of the costs alongside other partner authorities. The City Council's contribution will be met from the Housing Capital Investment Plan, recognising that the expenditure is housing related.*

## Total Capital Bids in Housing Revenue Account

0	52,500	0	0	0
---	--------	---	---	---

## Total Capital Bids

0	52,500	0	0	0
---	--------	---	---	---

## Report Total

0	52,500	0	0	0
---	--------	---	---	---

Risk Area & Issue arising	Controls / Mitigation Action
<b>Effects of Legislation / Regulation</b>	
<p>Implications of new legislation / regulation or changes to existing are not identified</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements</p> <p>HRA Debt Settlement could be re-opened by Government</p> <p>Changes in national rent policy impact the ability to support the housing debt or deliver against planned investment programmes</p>	<ul style="list-style-type: none"> <li>• Effective, regular processes are in place for the HRA to ensure that implications are identified and raised</li> <li>• Additional / specific funding enhancements for new services can be identified through the budget process, to allow effective implementation</li> <li>• The Council has processes in place to manage the demands of local and national housing agendas, ensuring early engagement in any consultation and collective representation through national housing bodies</li> <li>• Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible.</li> <li>• Consideration could be given to deviating from national rent policy at a local level</li> </ul>
<b>Housing Portfolio &amp; Spending Plans</b>	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets</p>	<ul style="list-style-type: none"> <li>• Council has adopted medium (5 year) and long-term modelling (up to 30 years) for HRA, to ensure decisions are made in the knowledge of long-term deliverability issues / implications</li> <li>• The Business Plan includes long-term trend analysis on key cost drivers such as growth levels and demographics, and their implications</li> <li>• Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures</li> </ul>

Risk Area & Issue arising	Controls / Mitigation Action
<b>Financial planning lacks appropriate levels of prudence</b>	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital &amp; Revenue Projects Plan is not available</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> <li>• Use of external expert opinion and detailed trend data to inform assumptions</li> <li>• Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process</li> <li>• Adoption of strict medium / long-term planning</li> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> </ul>
<b>Use of resources is not effectively managed</b>	
<p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital, project on time etc.</p>	<ul style="list-style-type: none"> <li>• Council employs robust business planning processes for the HRA</li> <li>• Council has adopted a standard project management framework</li> <li>• A business cases is required for all strategic acquisitions, disposals and one-off areas of significant investment</li> <li>• Housing Service is required to contribute to Portfolio Planning process, linked directly to resources</li> <li>• Performance and contractor management procedures are robust and contracts are enforceable</li> <li>• Organisational development and workforce planning activity is ongoing and reflects the needs of the HRA</li> <li>• The Council's accounts are audited on an annual basis, with assurance given that the authority is delivering economy, efficiency and effectiveness in its use of resources</li> </ul>

Risk Area & Issue arising	Controls / Mitigation Action
<b>External income / funding streams</b>	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p> <p>Rent and service charge arrears increase and bad debt rises, as a direct result of the Welfare Benefit Reforms</p> <p>Rent income is under-achieved due to a major incident in the housing stock</p> <p>Changes to the right to buy rules and pooling regulations result in a continued high level of sales, with the associated commitment to deliver replacement units or pay over receipts with interest</p> <p>Volatility and competition in the property market impacts the ability to fund capital pressures from the sale of assets</p>	<ul style="list-style-type: none"> <li>• Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes</li> <li>• Council seeks to influence national settlements and legislative changes through response to formal consultation and the provision of information to negotiation bodies such as LGA and CIH</li> <li>• Increased resources identified for income management. Performance closely monitored to allow further positive action if required.</li> <li>• Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of widespread incidents</li> <li>• Sensitivities modelled so potential impacts are understood</li> <li>• Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity</li> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> </ul>

# New Build Investment Cashflow

# Appendix F

New Build / Re-Development Scheme	Prior Year Actuals	2014/15 Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
<b>New Build / Re-Development Cash Expenditure (Net of Developer's Cross Subsidy / Notional Land Value)</b>							
Jane's Court	1,233,070	0	0	0	0	0	0
Latimer Close	980,820	588,920	0	0	0	0	0
Barnwell Road	437,170	630,470	0	0	0	0	0
Campkin Road (Phase 1)	1,128,270	1,218,490	371,330	0	0	0	0
Colville Road (Phase 1)	311,950	1,181,640	0	0	0	0	0
Water Lane	161,110	856,830	627,010	0	0	0	0
Aylesborough Close	490,200	1,293,150	1,014,650	0	0	0	0
Stanesfield Road	80,670	489,880	0	0	0	0	0
Wadloes Road	1,510	768,670	0	0	0	0	0
Atkins Close (Garage Site)	3,260	585,180	0	0	0	0	0
Hawkins Road (Garage Site)	0	1,493,890	0	0	0	0	0
Fulbourn Road (Garage Site)	0	1,399,470	0	0	0	0	0
Ekin Road (Garage Site)	0	1,132,760	0	0	0	0	0
Market Housing on Re-Development Sites	0	2,894,000	0	0	0	0	0
Clay Farm	0	1,551,830	264,680	8,081,800	6,306,320	0	0
Homerton	0	0	3,504,000	3,504,000	0	0	0
New Build – + RTB Receipts	0	0	4,531,000	8,243,000	10,981,000	6,150,000	6,150,000
New Build – HRA Surpluses	0	0	0	0	0	3,844,000	769,000
<b>Total New Build/ Re-Development Expenditure</b>	<b>4,828,030</b>	<b>16,085,180</b>	<b>10,312,670</b>	<b>19,828,800</b>	<b>17,287,320</b>	<b>9,994,000</b>	<b>6,919,000</b>

New Build / Re-Development Scheme	Prior Year Actuals	2014/15 Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
<b>New Build / Re-Development Grant and Area Committee Funding</b>							
Jane's Court	(354,460)	0	0	0	0	0	0
Latimer Close	(106,340)	(106,340)	0	0	0	0	0
Barnwell Road	(106,340)	(106,340)	0	0	0	0	0
Campkin Road (Phase 1)	0	(230,400)	0	0	0	0	0
Colville Road (Phase 1)	0	(336,740)	0	0	0	0	0
Water Lane	0	0	0	0	0	0	0
Aylesborough Close	0	0	0	0	0	0	0
Stanesfield Road (Incl. 100k Area Committee Grant)	(35,440)	(135,440)	0	0	0	0	0
Wadloes Road	0	0	0	0	0	0	0
Atkins Close (Garage Site)	0	(141,780)	0	0	0	0	0
Hawkins Road (Garage Site)	0	0	0	0	0	0	0
Fulbourn Road (Garage Site)	0	0	0	0	0	0	0
Ekin Road (Garage Site)	0	0	0	0	0	0	0
<b>Total New Build / Re-Development Funding</b>	<b>(602,580)</b>	<b>(1,057,040)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Retained Right to Buy Funding</b>							
Jane's Court	0	0	0	0	0	0	0
Latimer Close	0	0	0	0	0	0	0
Barnwell Road	0	0	0	0	0	0	0
Campkin Road (Phase 1)	0	0	0	0	0	0	0
Colville Road (Phase 1)	0	0	0	0	0	0	0



New Build / Re-Development Scheme	Prior Year Actuals	2014/15 Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
Water Lane	0	0	0	0	0	0	0
Aylesborough Close	0	0	0	0	0	0	0
Stanesfield Road (Incl. 100k Area C'ttee Grant)	0	0	0	0	0	0	0
Wadloes Road	0	(300,520)	0	0	0	0	0
Atkins Close (Garage Site)	0	0	0	0	0	0	0
Hawkins Road (Garage Site)	0	(448,170)	0	0	0	0	0
Fulbourn Road (Garage Site)	0	(419,840)	0	0	0	0	0
Ekin Road (Garage Site)	0	(339,830)	0	0	0	0	0
Market Housing on Re-Development Sites	0	(868,200)	0	0	0	0	0
Clay Farm	0	(348,790)	(59,550)	(1,785,090)	(1,385,610)	0	0
Homerton	0	0	(779,880)	(779,880)	0	0	0
New Build – With RTB Receipts	0	0	(1,359,300)	(2,472,900)	(3,294,300)	(1,845,000)	(1,845,000)
<b>Total Retained Right to Buy Funding</b>	<b>0</b>	<b>(2,725,350)</b>	<b>(2,198,730)</b>	<b>(5,037,870)</b>	<b>(4,679,910)</b>	<b>(1,845,000)</b>	<b>(1,845,000)</b>
<b>Balance met from HRA Resources</b>	<b>4,225,450</b>	<b>12,302,790</b>	<b>8,113,940</b>	<b>8,344,930</b>	<b>8,232,410</b>	<b>5,602,000</b>	<b>2,474,000</b>
<b>Balance met from HRA Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,446,000</b>	<b>4,375,000</b>	<b>2,547,000</b>	<b>2,600,000</b>

# Key Sensitivity Analysis

# Appendix G

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
Interest Rates for additional borrowing	PWLB fixed rate maturity loan at 4%	Assume fixed rate loans, with increase of 2% in interest rates from the outset.	The debt cap is breached by 2019/20 and current plans are therefore not fully deliverable.
General Inflation	General Inflation using CPI at 2% for expenditure	Volatility in the economy could lead to an increase in external costs. 1% increase in general inflation for expenditure only for the life of the plan.	The debt cap is breached by 2019/20 and current plans are therefore not fully deliverable.
Rents Inflation	CPI at 1.2% for 2015/16, then CPI at 2% from 2016/17	Fluctuations in monthly inflation rates could lead to a variation in the CPI used for rents compared with expenditure. Assume 0.5% reduction in rents base inflation ongoing compared to expenditure.	The debt cap is breached by 2019/20 and current plans are therefore not fully deliverable.
Capital Investment Real Increase Inflation	Capital Investment Inflation at 3% above CPI for 5 years	A real increase of 3% is allowed for building inflation. Assume that real inflationary increase required is 5% for remaining 4 years from 2016/17 as the building industry in Cambridge is buoyant.	The debt cap is breached by 2019/20 and current plans are therefore not fully deliverable.
Investment Income	Interest on balances increasing to 1% long-term	Rates may recover more than anticipated, or long-term lending options may prove viable. Assume ongoing rate of 3% from 2017/18.	£26 million additional resource over the 30 year life of the plan.
Housing Rent Collection and Welfare Reforms	Costs based on historic activity, but an increase in transactional collection costs	Universal Credit results in 100% of rent being collected directly from tenants. Assume, in addition to the increase in transactional costs, an ongoing increase in bad debt of an additional 1% per annum from 2016/17.	The debt cap is breached by 2019/20 and current plans are therefore not fully deliverable.

# HRA Summary 2014/15 to 2018/19

# Appendix H

Description	2014/15 £0	2015/16 £0	2016/17 £0	2017/18 £0	2018/19 £0	2019/20 £0
Income						
Rental Income (Dwellings)	(36,059,720)	(37,185,810)	(39,005,680)	(40,991,310)	(42,626,680)	(44,461,790)
Rental Income (Other)	(1,064,000)	(1,096,480)	(1,118,410)	(1,140,780)	(1,163,590)	(1,186,870)
Service Charges	(2,203,270)	(2,447,980)	(2,559,560)	(2,606,410)	(2,654,180)	(2,702,920)
Contribution towards Expenditure	(103,150)	(3,210)	(3,280)	(3,340)	(3,410)	(3,480)
Other Income	(466,140)	(455,090)	(443,400)	(431,070)	(418,060)	(426,420)
<b>Total Income</b>	<b>(39,896,280)</b>	<b>(41,188,570)</b>	<b>(43,130,330)</b>	<b>(45,172,910)</b>	<b>(46,865,920)</b>	<b>(48,781,480)</b>
Expenditure						
Supervision & Management - General	3,187,920	3,441,480	3,763,680	4,046,220	4,332,620	4,684,840
Supervision & Management - Special	2,201,970	2,414,310	2,475,400	2,542,870	2,617,300	2,694,250
Repairs & Maintenance	5,914,420	6,824,030	7,107,190	7,422,470	7,821,140	8,197,750
Depreciation – t/f to Major Repairs Res.	10,348,510	10,509,920	10,875,690	12,478,260	13,286,620	14,010,150
Debt Management Expenditure	0	21,180	21,900	22,750	23,760	24,800
Other Expenditure	2,925,650	3,038,890	3,346,550	3,451,960	3,556,680	3,678,880
<b>Total Expenditure</b>	<b>24,578,470</b>	<b>26,249,810</b>	<b>27,590,410</b>	<b>29,964,530</b>	<b>31,638,120</b>	<b>33,290,670</b>
<b>Net Cost of HRA Services</b>	<b>(15,317,810)</b>	<b>(14,938,760)</b>	<b>(15,539,920)</b>	<b>(15,208,380)</b>	<b>(15,227,800)</b>	<b>(15,490,810)</b>
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(154,420)	(228,910)	(210,720)	(177,490)	(184,200)	(196,650)
<b>HRA (Surplus) / Deficit for the Year</b>	<b>(15,472,230)</b>	<b>(15,167,670)</b>	<b>(15,750,640)</b>	<b>(15,385,870)</b>	<b>(15,412,000)</b>	<b>(15,687,460)</b>
Items not in the HRA Income and Expenditure Account but in the movement on HRA balance						
Loan Interest	7,547,170	7,541,290	7,670,210	7,886,650	8,025,100	8,128,040
Housing Set Aside	811,270	0	0	0	2,485,150	2,485,150

Depreciation Adjustment	(2,413,480)	(2,351,280)	(2,200,030)	0	0	0
Direct Revenue Financing of Capital	14,338,460	10,968,440	11,579,610	7,497,310	4,904,400	5,015,760
<b>(Surplus) / Deficit for Year</b>	<b>4,811,190</b>	<b>990,780</b>	<b>1,299,150</b>	<b>(1,910)</b>	<b>2,650</b>	<b>(58,510)</b>
Balance b/f	(8,880,740)	(5,282,910)	(4,292,130)	(2,992,980)	(2,994,890)	(2,992,240)
Transfer from Ear-Marked Reserve	(1,213,360)	0	0	0	0	0
<b>Total Balance c/f</b>	<b>(5,282,910)</b>	<b>(4,292,130)</b>	<b>(2,992,980)</b>	<b>(2,994,890)</b>	<b>(2,992,240)</b>	<b>(3,050,750)</b>

# Housing Capital Investment Plan

# Appendix I

Description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund Housing Capital Spend</b>						
Assessment Centre	0	0	0	0	0	0
Disabled Facilities Grants	550	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Long Term Vacants	20	20	20	20	20	20
Choice Based Letting IT System	0	30	0	0	0	0
<b>Total General Fund Housing Capital Spend</b>	<b>765</b>	<b>795</b>	<b>765</b>	<b>765</b>	<b>765</b>	<b>765</b>
<b>HRA Capital Spend</b>						
<b>Decent Homes</b>						
Kitchens	918	598	292	466	500	621
Bathrooms	672	525	119	61	306	954
Central Heating / Boilers	1,114	1,106	1,326	1,357	1,902	2,676
Insulation / Energy Efficiency	100	100	100	100	100	100
External Doors	212	108	63	88	40	47
PVCU Windows	502	0	0	0	0	0
Wall Structure	334	213	264	105	78	450
Wall Finishes	89	260	265	267	352	253
Wall Insulation	100	100	100	100	100	100
External Painting	0	0	0	0	0	0
Roof Structure	945	687	322	300	307	307
Roof Covering	1,661	210	274	658	617	420
Chimneys	102	2	1	0	1	0

Description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Electrical / Wiring	91	181	317	120	356	441
Smoke Detectors	27	109	9	26	18	28
Sulphate Attacks	102	102	102	102	102	102
Major Voids / Major Works	201	48	53	53	54	54
HHSRS Contingency	117	150	100	100	100	100
Other Health and Safety Works	50	50	50	50	50	50
Other External Works	3	5	0	0	0	1
Rising Damp / Penetrating Damp	0	0	0	0	0	0
Capitalised Officer Fees - Decent Homes	439	341	341	341	341	341
External Professional Fees	22	17	17	17	17	17
Decent Homes Backlog	0	2,097	3,019	2,663	0	710
Decent Homes Planned Maintenance Contractor Overheads	751	680	693	677	510	758
Decent Homes New Build Allocation	0	69	196	272	462	534
<b>Total Decent Homes</b>	<b>8,552</b>	<b>7,758</b>	<b>8,023</b>	<b>7,923</b>	<b>6,313</b>	<b>9,064</b>
<b>Other Spend on HRA Stock</b>						
Garage Improvements	300	788	788	100	100	100
Asbestos Removal	200	200	200	100	100	100
Disabled Adaptations	938	878	878	878	878	878
Tenants Incentive Scheme	21	21	21	21	21	21
Communal Areas Uplift	596	546	546	546	546	546
Fire Prevention / Fire Safety Works	938	300	300	300	300	300
Hard surfacing on HRA Land - Health and Safety Works	274	280	150	150	150	150
Hard surfacing on HRA Land - Recycling	0	0	142	0	0	0

Description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Communal Areas Floor Coverings	235	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	122	114	114	114	114	114
Lifts and Door Entry Systems	41	13	13	13	13	13
Fencing	215	200	200	200	200	200
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	384	330	331	236	236	236
<b>Total Other Spend on HRA stock</b>	<b>4,264</b>	<b>3,670</b>	<b>3,683</b>	<b>2,658</b>	<b>2,658</b>	<b>2,658</b>
<b>HRA New Build / Re-Development</b>						
Roman Court	677	0	0	0	0	0
3 Year Affordable Housing Programme	11,639	2,013	0	0	0	0
3 Year Affordable Housing Programme (Notional Spend - Land Value)	4,922	3,682	0	0	0	0
Market Housing on HRA Sites	2,894	0	0	0	0	0
New Build - Clay Farm	1,552	265	8,082	6,306	0	0
New Build - Homerton	0	3,504	3,504	0	0	0
New Build - Unallocated Retained RTB Receipt Investment	0	4,531	8,243	10,981	6,150	6,150
New Build - Investment of HRA Surpluses	0	0	0	0	3,844	769
<b>Total HRA New Build</b>	<b>21,684</b>	<b>13,995</b>	<b>19,829</b>	<b>17,287</b>	<b>9,994</b>	<b>6,919</b>
<b>City Homes Estate Improvement Programme</b>						
City Homes Estate Improvement Programme	306	200	200	200	200	200
<b>Total City Homes Estate Improvement Programme</b>	<b>306</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>

Description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Sheltered Housing Capital Investment</b>						
Ditchburn Place	1,900	1,900	0	0	0	0
<b>Total Sheltered Housing Capital Investment</b>	<b>1,900</b>	<b>1,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other HRA Capital Spend</b>						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	21	23	0	0	0	0
Cambridge Public Sector Network	76	0	0	0	0	0
Air Cooling Systems in Area Offices	11	0	0	0	0	0
Shared Ownership Repurchase	300	300	300	300	300	300
Right of First Refusal Buy Back	663	0	0	0	0	0
Commercial Property	178	30	30	30	30	30
<b>Total Other HRA Capital Spend</b>	<b>1,249</b>	<b>353</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>
<b>Total HRA Capital Spend</b>	<b>37,955</b>	<b>27,876</b>	<b>32,065</b>	<b>28,398</b>	<b>19,495</b>	<b>19,171</b>
<b>Total Housing Capital Spend at Base Year Prices</b>	<b>38,720</b>	<b>28,671</b>	<b>32,830</b>	<b>29,163</b>	<b>20,260</b>	<b>19,936</b>
Inflation Allowance and Stock Reduction Adjustment for Future Years	537	1,275	2,295	2,717	3,426	4,644
<b>Total Inflated Housing Capital Spend</b>	<b>39,257</b>	<b>29,946</b>	<b>35,125</b>	<b>31,880</b>	<b>23,686</b>	<b>24,580</b>



Description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Housing Capital Resources</b>						
Right to Buy Receipts	(495)	(516)	(522)	(527)	(532)	(537)
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Notional Land Receipts (New Build Schemes)	(4,922)	(3,682)	0	0	0	0
Major Repairs Reserve	(12,688)	(7,432)	(9,570)	(12,478)	(13,287)	(14,010)
Direct Revenue Financing of Capital	(14,338)	(10,968)	(11,580)	(7,497)	(4,904)	(5,016)
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(1,357)	(300)	(1,699)	(2,050)	(300)	(300)
Retained Right to Buy Receipts	(2,725)	(2,199)	(5,038)	(4,680)	(1,845)	(1,845)
Disabled Facilities Grant	(271)	(271)	(271)	(271)	(271)	(271)
Prudential Borrowing	0	0	(6,446)	(4,375)	(2,547)	(2,600)
<b>Total Housing Capital Resources</b>	<b>(36,796)</b>	<b>(25,368)</b>	<b>(35,126)</b>	<b>(31,878)</b>	<b>(23,686)</b>	<b>(24,579)</b>
Net (Surplus) / Deficit of Resources	2,461	4,578	(1)	2	(0)	1
<b>Capital Balances b/f</b>	<b>(8,143)</b>	<b>(5,682)</b>	<b>(1,104)</b>	<b>(1,105)</b>	<b>(1,103)</b>	<b>(1,103)</b>
Use of / (Contribution to) Balances in Year	2,461	4,578	(1)	2	(0)	1
<b>Capital Balances c/f</b>	<b>(5,682)</b>	<b>(1,104)</b>	<b>(1,105)</b>	<b>(1,103)</b>	<b>(1,103)</b>	<b>(1,102)</b>
The inflationary element of the decent homes spend for 2014/15 will be allocated against decent homes elements once the year-end outturn position is known. The same will apply for 2015/16 inflation once the impact of the new planned maintenance contract prices have been fully incorporated into the programme.						

# Cambridge City Council Equality Impact Assessment



### 1. Title of strategy, policy, plan, project, contract or major change to your service:

Budget 2015/16 (HRA) EqIA

### 2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

The HRA Budget Setting Report enables the City Council to set a balanced budget for 2015/16 that reflects the Council's vision statements and takes into account councillor's priorities in its proposals for achieving the savings required. This EQIA assesses the equality impacts of the Housing Revenue Account (HRA) element of the City Council's budget; a separate EQIA has been completed for the General Fund (GF) element of the Council's budget.

An Equality Impact Assessment (EqIA) has been completed for budget proposals that will result in significant service changes. This EqIA sets out the material information from these EqIAs. This approach is intended to ensure that elected Members have access to all the relevant information on the equality impact of budget proposals at the point when they are being asked to make a decision. This will enable Members to discharge their Duty under the Equality Act 2010 to consider the equality impacts of decisions.

EqIAs have been completed for the following budget proposals :

- PPF3521 HRA - Increase in the budget for the Under-Occupation Scheme
- PPF3513 HRA - Increased staffing capacity to meet the Housing Plus Agenda
- PPF3520 HRA/ C3519 - Support and maintenance for a Self-Service Portal for the Housing Service /Purchase and implementation of a Self-Service Portal for the Housing Service -
- PROG3709 - ICT Shared Service
- PROG3710 - Legal Shared Service
- PROG3661 - Reduction in support and central costs through a Council wide Support Services Review
- URP3506 - Inability to recharge full costs of building cleaning services

**3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)**

- Residents
- Visitors
- Staff

A specific client group or groups (please state):

This is a composite EqIA for all 2015 -2016 HRA budget bids and it covers all Council housing revenue account services.

**4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)**

- New
- Revised
- Existing

**5. Responsible directorate and service**

Directorate: This report involves cross organisation responsibility and is managed by a team from different departments in the Council – Corporate Strategy and Finance have coordinated the document, with input from City Homes, Strategic Housing and Estates and Facilities in particular.

**6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?**

No

Yes (please give details):

This is an assessment of the Council's HRA budget and therefore covers all HRA services. In particular the EqIA considers the equalities impacts of proposals submitted by City Homes, Strategic Housing, Estates and Facilities, ICT and Legal. The budget also affects some of our partnership working, notably with South Cambridgeshire District Council and Huntingdonshire District Council, and has the ability to impact the County Council in respect of the delivery of support activity and housing plus services.

## 7. Potential impact

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

- Informal consultation is being carried out with staff where appropriate.
- Formal consultation with staff will follow if the Council supports the staffing changes proposed in some areas of the HRA budget. This consultation will take place on a number of specific elements of proposed changes over the next six to nine months.
- No individual public consultation is proposed with service users (tenants and leaseholders) because no significant change in service delivery is anticipated. Consultation with tenant and leaseholder representatives is however undertaken through the formal committee process and through specific tenant led representative groups, such as the Housing Regulation Panel.
- This EQiA is a working document. There are two parts of the process. The first stage will be to formally consult staff and unions on the creation of the single shared service and the second stage will be to work through detailed implementation issues which will also be subject to consultation with staff and unions. Throughout these stages the EQiA will be updated.

**(a) Age** (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)

PPF3513 - As part of the Housing Plus Agenda, it is proposed to recruit an additional member of staff to work with tenants to provide financial advice, support and advocacy to prevent households getting into financial crisis. This has a potential positive impact.

PPF3521 - Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis. This fund supports people to leave larger properties to find more suitable sized homes. This has a positive impact on low income groups who may not be able to afford to maintain large properties. The fund supports a positive transition and a move to a more manageable situation for older people.

C3519 - This bid would allow the authority to investigate, and if proven beneficial, provide self-service access to housing tenants of the Council to the housing management information system, allowing residents to check the status of their rent accounts, make payments and request and monitor progress about repairs. Some older people may find accessing digital services more difficult so there may be a negative impact but this is an additional service to the more traditional ways of contacting the housing teams so the impact is mitigated.

PROG3661 – In the first phase of this project, 35 -44 year olds are potentially more affected than other age groups by the proposals as they make up around 41% of the total group (this means 11 people) However, as the project will be consulting on these proposals around mid-December, the full impact is unknown at this time. The EqlA will be updated as the project progresses.

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

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

C3519 - This bid would allow the authority to investigate, and if proven beneficial, provide self-service access to housing tenants of the Council to the housing management information system, allowing residents to check the status of their rent accounts, make payments and request and monitor progress about repairs. Some people with disabilities may find accessing digital services more difficult to access so there may be a minor negative impact but this is an additional service to the more traditional ways of contacting the housing teams so the impact is mitigated and could be a positive benefit as those who find it difficult to travel could access their services online.

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(c) Gender**

PPF3521 - Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis. Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis. This fund supports people to leave larger properties to find more suitable sized homes. This has a potential positive impact on women who may not be able to afford to move to large properties.

PROG3661 – In the first phase of this project, men are potentially more affected by the proposal as they make up around 63% of the group affected (17 people) However, the project has not yet defined the actual impacts as the consultation on these proposals is not due until mid-December. The EqIA will be updated as the project progresses.

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(d) Pregnancy and maternity**

PPF3521 - Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis. Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis. This fund supports people to leave larger properties to find more suitable sized homes. This has a potential positive impact on women and their families who may need a larger property at the time of their pregnancy.

NCL3555 - Based upon the latest pay negotiations, a pay award of 2.2% is proposed, to be effective from January 2015 and to cover both pay reviews due in April 2014 and April 2015. This might mean a marginal benefit to staff taking maternity leave, as the maternity pay would be based upon the pay offer.

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(e) Transgender (including gender re-assignment)**

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(f) Marriage and Civil Partnership**

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(g) Race or Ethnicity**

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(h) Religion or Belief**

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(i) Sexual Orientation**

No disproportionate has been identified for the other bid proposals contained in the 2014/15 HRA Budget Setting Report.

**(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):**

NCL3555 - Based upon the latest pay negotiations, a pay award of 2.2% is proposed, to be effective from January 2015 and to cover both pay reviews due in April 2014 and April 2015. This might mean a marginal benefit to those on low incomes as lower paid jobs would see a very small increase.

PPF3521 - Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis. Due to a good level of take up, it is proposed to increase the level of funding for the Under-Occupation Scheme by £40,000 per annum on an ongoing basis. This fund supports people to leave larger properties to find more suitable sized homes. This has a potential positive impact on people on lower incomes either manage a positive transition to a smaller property or move to a larger one depending on need.

URP3506 - A review of the cost of building cleaning services across the communal areas of the housing stock resulted in an increase in costs to the HRA from 2014/15 onwards. A decision was taken in the 2014/15 budget process not to pass the higher costs on to residents as the service was undergoing a review, with the anticipated outcome being a significant reduction in costs following a tender process which was expected to conclude before April 2015. This project has been delayed, which results in the need to either extend meeting the additional cost from HRA resources, or to pass on higher costs to residents temporarily. The Council is currently tendering this service and depending on the new contractor – costs may go up or down for tenants. The Council has mitigated this by covering the increased costs for the last 2 years. This may have an impact on those on low incomes but until the results and subsequent contract details are known, it won't be clear if costs will go up or down or remain the same.

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

The overall number of HRA budget items included in the HRA Budget Setting Report was 38 – some of these are linked together.

EqlAs were completed for 7 bids.

Many of the bids had no disproportionate impact for the following reasons:

- No or little impact on people – e.g. capital bids
- It was too early to assess the impacts or they had been previously assessed last year and had been to Committee and then were delayed in being implemented – the EqlAs for these bids have been looked at as part of this process.
- The scale of change was small or process related e.g. small increase in hours for an existing post or internal recharging.

The greatest impacts were on age, pregnancy, maternity, disability and socio economic factors. Positive impacts generally outweighed the negative and were already being mitigated.

All of the EqlAs are available for viewing and can be found here: [HRA EqlAs](#)

## 9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

## 10. Sign off

Name and job title of assessment lead officer: Julia Hovells

Names and job titles of other assessment team members and people consulted:  
Suzanne Goff – Corporate Strategy

Date of completion: December 2014

Date of next review of the assessment: December 2015



## Action Plan

**Equality Impact Assessment title:** Budget 2015/16 (HRA) EqIA

**Date of completion:** December 2014

Equality Group	Age
Details of possible disadvantage or negative impact	Reduction in support and central costs through a Council wide Support Services Review has the potential to impact negatively on some age groups.
Action to be taken to address the disadvantage or negative impact	Impact assessment to be reviewed following the consultation process, to quantify and consider any disproportionate impact.
Officer responsible for progressing the action	Paul Boucher
Date action to be completed by	January 2015 for Project 1, March 2015 for Project 2, and summer 2015 for Project 3.

Equality Group	Disability
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Gender
Details of possible disadvantage or negative impact	Reduction in support and central costs through a Council wide Support Services Review has the potential to impact negatively on the male gender group.
Action to be taken to address the disadvantage or negative impact	Impact assessment to be reviewed following the consultation process, once proposals are finalised, to quantify and consider any disproportionate impact.
Officer responsible for progressing the action	Paul Boucher
Date action to be completed by	January 2015

<b>Equality Group</b>	<b>Pregnancy and Maternity</b>
Details of possible disadvantage or negative impact	None
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

<b>Equality Group</b>	<b>Transgender</b>
Details of possible disadvantage or negative impact	None
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

<b>Equality Group</b>	<b>Marriage and Civil Partnership</b>
Details of possible disadvantage or negative impact	None
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

<b>Equality Group</b>	<b>Race or Ethnicity</b>
Details of possible disadvantage or negative impact	None
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	None
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	None
Action to be taken to address the disadvantage or negative impact	N/A
Officer responsible for progressing the action	N/A
Date action to be completed by	N/A

<b>Other factors that may lead to inequality – <u>in particular</u> – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):</b>	
Details of possible disadvantage or negative impact	Inability to recharge full costs of building cleaning services has the potential to impact negatively for those on low incomes at the point at which the agreed protection form full cost stops. This is wholly dependent upon the outcome of a current competitive tender process, where costs may be reduced so as to fully mitigate any potential impact.
Action to be taken to address the disadvantage or negative impact	Potential impact to be reviewed once future prices are available.
Officer responsible for progressing the action	Julia Hovells
Date action to be completed by	March 2016

This page is intentionally left blank



## **Council Meeting**

**26 February 2015**

**Agenda Item 5**

**Budget Papers 2015/16**

**Agenda Item 5: TO CONSIDER BUDGET RECOMMENDATIONS OF THE EXECUTIVE FOR ADOPTION:**

**Budget-Setting Report (BSR) 2015/16:**

- a) Executive Amendment and Recommendations
- b) Liberal Democrat Group Amendment

**Refers to Budget-Setting Report (Version 3 – Council) which can be found via the Council agenda page:**

<http://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=2495&Ver=4>

**The rules of debate contained in the Council Procedure Rules shall be modified in respect of the Budget Council Meeting as follows:**

1) The Executive shall present its budget recommendations. A period of 45 minutes is allowed for this, extendable at the discretion of the Mayor. The format and mode of the presentation is for the Executive to decide.

2) The Liberal Democratic Group may then present its alternative budget. A period of 45 minutes is allowed, extendable at the discretion of the Mayor. The format and mode of the presentation is for the Liberal Democratic Group to decide.

3) In a departure from the Rules, the Mayor will then afford Councillor Hipkin up to 5 minutes to make a budget statement.

4) The Liberal Democratic Group alternative budget will then be moved as an amendment to replace the Executive recommendation. It will be debated in the usual way, and will be deemed to have been moved and seconded.

5) At the conclusion of the debate, a vote will be taken for and against the alternative budget.

6) If the Liberal Democratic Group's alternative budget is voted down, the Liberal Democratic Group Leader may ask for separate votes to be taken on individual proposals within the alternative budget, but there shall be no further debate.

7) Where individual amendments have been submitted by councillors, these will then be debated in the usual way. However, where they are to the same effect as something in the alternative budget, they shall be considered at the same time as the alternative budget, with the proposer being able to ask for a separate vote in accordance with paragraph 6.

8) After consideration of amendments the Executive's budget proposals will be debated in the usual way but, subject to paragraph 9) below, no amendments may be moved.

9) If the Executive's budget is rejected, amendments and alternative proposals may be made as under the present rules, subject to the dispute resolution provisions set out in the Budget and Policy Framework Procedure Rules contained in Part 4C of the Constitution.

This page is intentionally left blank



Version 3  
For Council

# Budget Setting Report 2015/16



February  
2015

2015/16

Cambridge City Council

# Version Control

	Version No.	Revised version / updates for:	Content / Items for Consideration
—	1	Strategy & Resources Scrutiny Committee (19 January 2015)	Initial budget overview and budget proposals
		The Executive (22 January 2015)	Proposals of The Executive
—	2	Special Strategy & Resources Scrutiny Committee (13 February 2015)	Amendments to Executive proposals Opposition budget amendment proposals
Current	3	Council (26 February 2015)	Final Proposals to Council Incorporating updates relating to; <ul style="list-style-type: none"> <li>- Final Local Government Finance Settlement 2015/16 and grant determinations</li> <li>- Director of Resources final Section 25 report</li> </ul>
—	4	<b>Council (Final)</b>	Approved Budget Setting Report incorporating <ul style="list-style-type: none"> <li>- Decisions of Council</li> <li>- Appendix B Council Tax Setting following receipt of County Council, Police and Fire Authority precepts</li> </ul>

## Anticipated Precept Setting Dates

Cambridgeshire Police and Crime Commissioner	Cambridgeshire & Peterborough Fire Authority	Cambridgeshire County Council
28 January 2015	12 February 2015	17 February 2015

# Contents

Section No.	Topic	Page No.
	Foreword by the Leader of the Council and the Executive Councillor for Finance and Resources	
1	Introduction	1
2	Local and National Policy Context	3
3	Public Budget Consultation	9
4	General Fund Resources	13
5	General Fund Revenue Budgets	28
6	General Fund revenue and funding 2014/15 to 2019/20	34
7	Capital	35
8	Risks and general reserves	43
9	Future strategy and recommendations	47
10	Section 25 Report (Council version only)	50

# Appendices

Reference	Topic	Page No.
A(a)	Council Tax base 2015/16	54
A(b)	Council Tax setting 2015/16	55
B(a)	Detailed revenue proposals - pressures	57
B(b)	Detailed revenue proposals - savings	62
B(c)	Detailed revenue proposals – PPF bids	74
B(d)	Detailed revenue proposals – external / earmarked bids	76
B(e)	Detailed revenue proposals – non-cash limit items	79

<b>Reference</b>	<b>Topic</b>	<b>Page No.</b>
C	Sensitivity analysis	83
D(a)	Capital plan – proposals	86
D(b)	Capital proposals requiring funding from revenue resources	94
D(c)	Capital plan	97
D(d)	Capital plan – Projects under Development (PUD) list	101
D(e)	Capital plan – Hold list	103
E	Earmarked funds	104
F	Equality Impact Assessment	107
G	Significant events	123
	Contacts	124

# Foreword by the Leader of the Council and the Executive Councillor for Finance and Resources

This budget heralds a major shake-up of the way this council manages its finances. It aims to utilise the extensive resources that we possess to much better effect, in order to put the council on a sound financial footing in the years to come. It meets the annual savings target, while also making a very substantial contribution to finding the necessary savings for the next two years, without compromising our frontline services. It manages to do this while also freeing up resources to invest in our strategy to make Cambridge a fairer and more equal place, as well as improved transport and infrastructure. It does this by accelerating our business transformation strategy while carefully investing in the city's future, utilising funds freed up from our earmarked reserves and our capital programme in order to convert them to revenue streams.

The financial context is well-known, but it bears repeating. There appears to be no end to the national austerity agenda, and cuts to our Revenue Support Grant are projected to continue at a rate of roughly 13% per annum. This has resulted in the substantial savings target of £1.225m in 2015/16, and £6m over five years, targets which are effectively increased by a wide-range of unavoidable revenue pressures that have emerged in the course of the budget process. This presents a formidable financial challenge.

Our strategy for meeting this challenge has been partially focussed on earmarked reserves and the capital plan.

Our overall level of earmarked reserves has been extraordinarily high by any standards, standing in October this year at £24m. This is well over 100% of annual net General Fund revenue spending, and far higher than any comparable local authority in the East of England. Most of these balances have languished for years, largely unused, earning negligible amounts of interest in bank deposits. This budget advocates freeing up, in total, £12.1m of these reserves in order to invest in future income streams, as well as reducing ongoing contributions to contribute to required revenue savings.

Most significant has been the review of Repair and Renewal Funds, the balance of which reached approximately £14m at the end of the 2013/14 financial year. The existing process, whereby managers have discretion to spend on Repairs and Renewals, from unscrutinised balances and yearly contributions, with limited transparency, has not been working for

some time. The review of this fund contained in this report will result in far greater and more transparent financial processes while retaining £1m per annum to support capital funding and significant sums to ensure that our assets are maintained. It will do this while freeing up £9.4 m in balances and, in net terms, £692k of ongoing contributions per year.

This budget also substantially reviews our capital plan. In recent years, the council's capital plan has become seriously deficient in terms of its processes. Many projects and schemes have been placed on it with little or no methodology behind the costing, without plans or business cases. As a result, our capital plan has become massively bloated while delivery has not lived up to expectations. This budget contains the results of the first stage of our review of this programme. Important priorities, such as the Environmental Improvement Programme and the Cycleways Programme, will be protected while projects without a clear business case will be put onto a 'pending further work' list. That way, officers will be able to go and do the proper work required to make delivery of these projects a success, with projects returning to the capital plan when they are ready to be delivered. This will free up considerable capital resources, of approximately £3.1m in the first year, while allowing for improved delivery. It heralds a major change in approach, whereby in future capital projects will be subject to improved financial discipline and will be funded in a more realistic way, including from considerable future capital receipts.

These reviews allow us to make considerable investments to support services and minimise the need for cuts. As well as gaining the income from a £10m Treasury Management investment in the CCLA Local Authorities' Property Fund, there will also be an £8m investment in the council's own property portfolio. These two moves will produce income of £650k from 2016/17. In addition, an 'Invest for Income' fund will be set up. This will give the council the capital resources to invest in a wide range of other opportunities that are emerging, particularly in the area of General Fund residential property. These moves will represent a radical optimisation of the use of our resources to greatly protect our services in future years.

In addition, the budget provides for major new initiatives emerging from the Business Transformation programme. This will allow us to realise a wide range of savings from shared services such as ICT and Legal Services, as well as in terms of our own back-room support services. These changes will involve significant challenges, and will not be easy in some cases. They will require sensitive management and consultation. However, they will allow us to become a far more efficient organisation that can meet the financial challenges while continuing to provide high quality services to our residents.

This strategy has allowed us to provide for investment in a range of areas. Firstly, we will be investing £1.5m in transport to mitigate the impacts of the A14 scheme. This funding will be sensibly phased in future years in order to meet our commitments to partners in a timely fashion. The budget also commits a considerable portion of projected future New Homes Bonus receipts to investment in the City Deal programme. This funding stream, although not secure, will thereby be utilised without impacting on our internal financial stability. If it is reduced in future years, it will be reflected in the funding available for the City Deal rather than our own revenue commitments.

Our prudence will also allow us to fund other commitments. Firstly, a large lump sum will be placed into the Sharing Prosperity Fund, to provide funding for a range of immediate projects designed to provide the next step in implementing the results of our draft Anti-Poverty Strategy. These include:

- Rent relief for Cambridge City Foodbank
- A Citizens' Advice Bureau pilot project to provide advice at East Barnwell GP's surgery
- Funding for free swimming lessons for disadvantaged children
- Improved digital inclusion for low-income areas
- A Junior Savers' Project to support children to use credit unions and improve their financial management

Future responsibility for apportioning Sharing Prosperity Fund monies to projects designed to tackle poverty will be devolved to the same scrutiny committee/executive councillor arrangement currently already used for similar initiatives. Once the final Anti-Poverty Strategy is published, a round of further projects to implement its recommendations can be considered in this way.

We are also able to find the funds to support a range of other projects, including:

- Funding for a Domestic Violence Co-ordinator, to aid the move towards 'White Ribbon' status
- A new youth engagement project, to involve young people in the running of their city
- Resources for greater enforcement against bad landlords in the Private Rented Sector
- Continuation of our Empty Homes initiative, to bring empty homes back into use

- Support for employees to deal, with the help of trade unions, with the range of issues emerging from our transformation programme

In summary, this budget is perhaps the most far-reaching and transformational for many years. In this budget, the Council is addressing a wide range of financial opportunities that have gone to waste for years. It delivers an overall three year plan to balance Cambridge City Council expenditure and income despite a further 2015 Government cut in Revenue Support Grant on top of earlier funding cuts since 2011, and prepares the city in case there is no Government Revenue Support Grant by 2020, down from over £10m before 2010.

It will allow us to deliver on the Council's four objectives:

- protecting core services that residents need and value and ensuring fairness
- transforming how we deliver services, working with our committed staff team and other partners
- targeting scarce resources to help people who need help and to meet the needs of most vulnerable
- making best use of all our assets, reinvesting all available Council resources to maximise financial return and benefits for city residents, and make existing assets work harder too

By doing the hard work to examine how we can better use our resources, invest for the long-term, and improve our financial discipline, we will now be able to seriously address the need for big financial savings while not hitting the vulnerable. It will require more careful management, a more enterprising attitude, and clearer processes. It will, in short, be a challenge. In the long-term, however, it will protect our residents against the impact of the government's austerity programme and allow us to continue to do far more than an 'average' district council, particularly in the crucial area of fighting against poverty and inequality. It is an ambitious budget as well as a prudent one, but it is only by a combination of such ambition and prudence that we will be able to stick to the principles and purposes that this administration was elected to enact: social justice and equality.

Cllr Lewis Herbert, Leader

Cllr George Owers, Executive Councillor for Finance and Resources



# Section 1

## Introduction

### Purpose

The Budget Setting Report (BSR) is designed to provide an integrated view of the Council's finances and outlook. It covers General Fund revenue and capital spending, highlighting the inter-relationships between the two, and the resultant implications. Detailed budget proposals for the Housing Revenue Account are presented and considered separately from this report.

On 6 November 2014 the Council approved the Mid-year Financial Review (MFR). The MFR set out the financial strategy for the Council in light of local and national policy priorities, external economic factors and the outlook for public sector funding. The MFR also reviewed key assumptions and risks, thereby confirming the framework for detailed budget work for 2015/16 and beyond.

The BSR reviews the impacts of developments since the MFR and sets the financial context for the consideration of detailed recommendations and budget finalisation to be made at Council on 26 February 2015. The document proposes a detailed budget for the next financial year, and indicative budget projections for the following four years.

### Background

The financial planning context for the BSR is set by the MFR. This identified a total net savings requirement of £5.966m over the next 5 years, after taking into account £576k of pressures and £651k of savings identified at that time.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Net savings requirement	1.225	1.323	0.798	1.073	1.547	5.966

These savings requirements stem from the expectation of significant reductions in Government funding, unavoidable cost increases, and pressures arising from reductions in income projections in commercial property. Whilst the council has a record of identifying and delivering savings through service reviews and value for money improvements, it is expected that savings achievable by these means will reduce over time as services become leaner and more cost effective.

As a result, the Council has embarked on a long term programme of transformation of the way it delivers services and interacts with residents, tenants and other parties. The programme has dual aims; to develop a new style and shape of organisation, fit for the changing operating environment; and to ensure that the council is able to deliver the savings required in the longer term. The programme is based on four themes, which run through the budget strategy and inform the detailed budget proposals. These four themes are:

- Protecting the key services that residents value the most
- Transforming how we deliver services
- Delivering inclusive and easy to use services, targeting our services also to meet the needs of the most vulnerable
- Making the best use of all our assets

The MFR also proposed reviews of earmarked reserves and the capital plan, with a view to identifying resources that could be put to better use and ensuring that the underlying financial planning, control and management processes are efficient and effective.

## Key dates

The key member decision-making dates are as follows:

Date	Task
<b>2015</b>	
19 January	Strategy and Resources Scrutiny Committee considers BSR
22 January	The Executive recommends BSR to Council
13 February	Special Strategy and Resources Scrutiny Committee considers any budget amendment proposals
26 February	Council approves the budget and sets the Council Tax for 2015/16

# Section 2

## Local and National Policy Context

### Local policy context

The local policy context and priorities for the Council are agreed each year through the adoption by Council of an Annual Statement. The Annual Statement for 2014/15 was approved in June 2014, and can be accessed on the Council's web site at:

<http://tinyurl.com/pohd76s>

The political leadership of the council changed from Liberal Democrat to Labour as a result of the election in May 2014. The 2014 Annual Statement therefore reflects policy commitments from the Labour Party manifesto. As a result, some changes were made to the Council's spending plans, as approved in the February 2014 Budget Setting Report. These included the setting up of the Sharing Prosperity Fund and the Fixed Term Priority Projects Fund and various small changes in the distribution of revenue funding. These changes were approved by Council in July 2014.

The MFR included a foreword by the Leader of the Council and the Executive Councillor for Finance and Resources which supplemented the Annual Statement by setting a direction of travel for the Council which responds to the future financial outlook. This is reflected in the detailed framework for the budget work.

### Review of Demographic Factors

Demographic factors impact on the Council's financial strategies in terms of their effect on the level of demand for services, the specific types and nature of services and the income available to the Council through Council Tax. Previously total population was also a key influence on the Council's entitlement to Government funding in terms of both formula grants and share of the national business rates pool. However, the current Government methodology for funding distribution has effectively broken this link.

Given the level of growth projected for the City over the medium term this change to the annual funding distribution by Government is significant as it has created a time lag

between any recognition of increased costs and the periodic re-basing of the funding mechanism (initially after 7 years and thereafter every 10 years).

## City Deal

The City Council, in partnership with Cambridgeshire County Council, South Cambridgeshire District Council, The University of Cambridge and the Greater Cambridge Greater Peterborough Enterprise Partnership, has been working on a City Deal with central government since autumn 2012. The deal was signed in June 2014 and promises significant additional investment in the Greater Cambridge area in respect of transport infrastructure. Specifically, it includes the following commitments:-

- Up to £500m of grant funding from central government for infrastructure, to be released in three tranches subject to achieving certain outcomes
- Flexibility over Skills Funding Agency spending to meet local business needs
- Joint decision making between the local partners on the infrastructure projects, strategic planning powers and other matters
- Pooling of powers and funding into a combined authority, subject to legislative changes and subsequent process; and creation of a joint committee to provide for joint decision making in the interim before a combined authority can be created
- Joint work between the partners to explore the business case for joint vehicle to deliver affordable housing
- Delivery of 1,000 additional affordable homes on rural exception sites

The joint committee will be established from January 2015 onwards.

The Council, with the other local authority partners, have agreed to create an Infrastructure Fund from a proportion of New Homes Bonus (NHB). As a result of this, the BSR considers the application of funds from NHB, but earmarks part of future uncommitted funding in line with the expected levels of contribution to the fund. This is covered further in Section 4, below.

# National Policy Context

## The 2014 Autumn Statement

The Government published the Autumn Statement on 3 December 2014. The national economy and global economic climate continue to drive Government policy and decisions on public spending.

The Office of Budget Responsibility (OBR) in their Economic and Fiscal Outlook, published alongside the Autumn Statement, predicts that GDP will grow by 3.0% this financial year, and that unemployment will reduce to 6.0%. However, tax revenues have not matched this improvement, leading to an expected deficit of £91.3bn, about £6bn higher than expected at the start of the year. The deficit is not now expected to be eliminated until 2018/19.

Based on the government's latest plans, the UK is in the fifth year of a projected 10-year fiscal consolidation. Relative to GDP, the budget deficit has been halved to date, mainly due to lower departmental and welfare spending. The remaining consolidation will be delivered principally through reductions in the running costs of public services. Between 2009/10 and 2019/20, spending on public services, administration and grants by central government is projected to fall from 21.2% to 12.6% of GDP. Around 40% of these cuts would have been delivered during this Parliament, with around 60% to come during the next. The implied squeeze on local authority spending is similarly severe.

The Statement contained a number of items which are relevant to consideration of the BSR:

- The small business rate relief scheme and the 2% cap on business rate increases will be extended for another year from April 2015. Retail premises in England with a rateable value of up to £50,000 will get an increase in business rates discount from £1,000 to £1,500. As in 2014/15, it is expected that these reductions in business rates will be made good by S31 grants.
- The Chancellor also announced an extensive review of business rates, to report before the budget in 2016. The terms of the review are not clear. In its letter of 4 December, the DCLG said "The review will not consider changes to the principle that some of the revenue from business rates should directly fund local government. It will fully consider

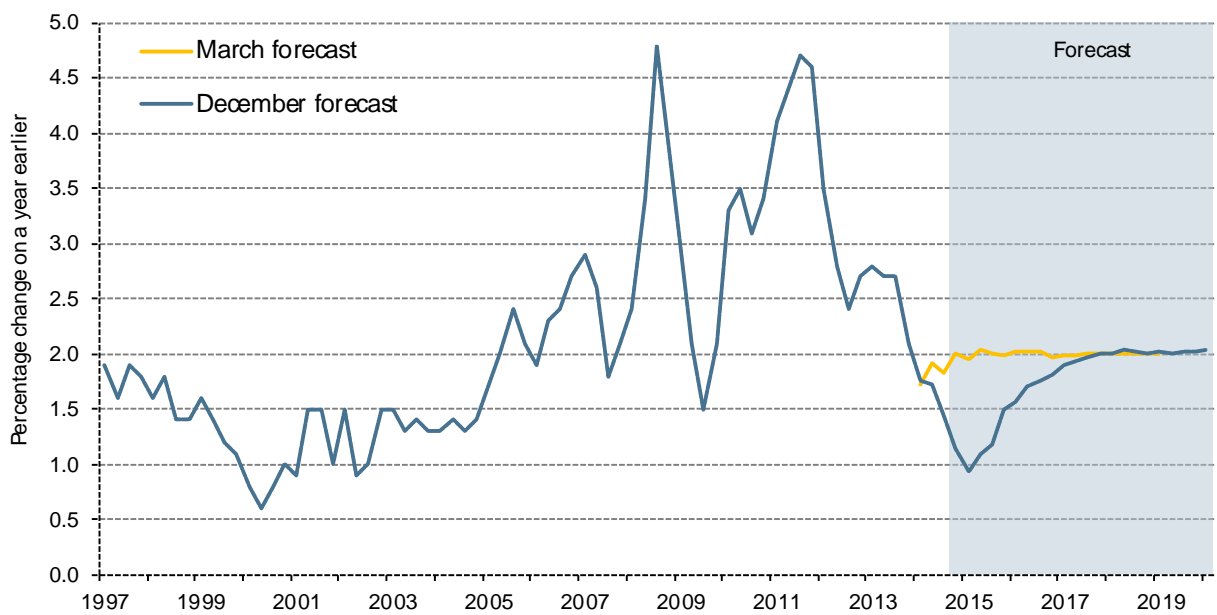
the impact on local government funding of any changes to the structure of business rates." This appears to imply that business rates will be retained, rather than replaced with an alternative funding stream. However, there is a risk that any changes will be redistributive, making future financial planning more difficult. Any impact is likely to occur in 2017/18 at the earliest.

- No additional funding cuts have been announced for local government at this stage. However, the risk of reductions remain, particularly if safety net funding within the business rates retention scheme requires replenishing
- The Government has committed to giving local authorities indicative multi-year budgets as soon as possible after the next spending review.

## Inflation and Growth

The OBR has revised its forecasts for GDP growth upwards to 3.0% for this year, 2.4% next and well above 2.0% thereafter. This contrasts with its forecasts across the world as a whole, but particularly in the euro area, the UK's largest export market. Unemployment is expected to fall rapidly to just above 5% and wage growth to return. Their inflation forecast is for CPI to remain below the Bank of England's 2% target until 2017.

### CPI inflation forecast



Source: ONS, OBR

## Interest Rates

Interest rates are set by the Bank's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be met. In August 2013, the MPC issued Forward Guidance intended to maintain a highly stimulative stance until economic slack had been substantially reduced. In particular, the guidance stated that the MPC did not intend to raise Bank Rate from its current level of 0.5% at least until the Labour Force Survey headline measure of the unemployment rate has fallen to a threshold of 7%.

On 12 February 2014, as unemployment approached 7%, the MPC made a further guidance statement on the setting of monetary policy once the unemployment threshold had been reached:

"The MPC sets policy to achieve the 2% inflation target, and, subject to that, to support the Government's economic policies, including those for growth and employment. Despite the sharp fall in unemployment, there remains scope to absorb spare capacity further before raising Bank Rate. When Bank Rate does begin to rise, the appropriate path so as to eliminate slack over the next two to three years and keep inflation close to the target is expected to be gradual. The actual path of Bank Rate over the next few years will, however, depend on economic developments. Even when the economy has returned to normal levels of capacity and inflation is close to the target, the appropriate level of Bank Rate is likely to be materially below the 5% level set on average by the Committee prior to the financial crisis. The MPC intends to maintain the stock of purchased assets at least until the first rise in Bank Rate. Monetary policy may have a role to play in mitigating risks to financial stability, but only as a last line of defence if those risks cannot be contained by the substantial range of policy actions available to the Financial Policy Committee and other regulatory authorities."

Latest projections for interest rates from the Council's treasury management advisors (Capita) now expect the first anticipated rise in base rate (an increase to 0.75%) in June 2015. At MFR stage a change in bank rate was anticipated in January 2015.

	Now	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Mar-18
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.50%
<b>3 month LIBID</b>	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.30%	1.40%	1.60%	1.90%	2.10%	2.10%	2.60%

	Now	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Mar-18
<b>6 month LIBID</b>	0.65%	0.70%	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.80%	2.00%	2.20%	2.30%	2.80%
<b>12 month LIBID</b>	0.93%	0.90%	1.00%	1.20%	1.30%	1.40%	1.70%	1.80%	2.10%	2.20%	2.30%	2.40%	3.00%
<b>5yr PWLB rate</b>	2.40%	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%
<b>10yr PWLB rate</b>	3.00%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%
<b>25yr PWLB rate</b>	3.70%	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	5.00%
<b>50yr PWLB rate</b>	3.70%	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	5.00%



# Section 3

## Public Budget Consultation

### Context and approach

The council selected the YouChoose online budget simulator this year as a basis for its budget consultation because it encourages members of the public to consider the services that should be a priority for the council when making spending decisions, where efficiencies might be made, and where income might be generated. The tool was originally developed by the London Borough of Redbridge, and is supported by the Local Government Association.

500 face-to-face household surveys were carried out using YouChoose during September and early October 2014. This approach was designed to achieve a representative sample of Cambridge residents. Interviews were evenly spread across all wards in the city and people were assisted to complete the YouChoose budget simulator by the interviewers. The consultation was also available on the Council's website.

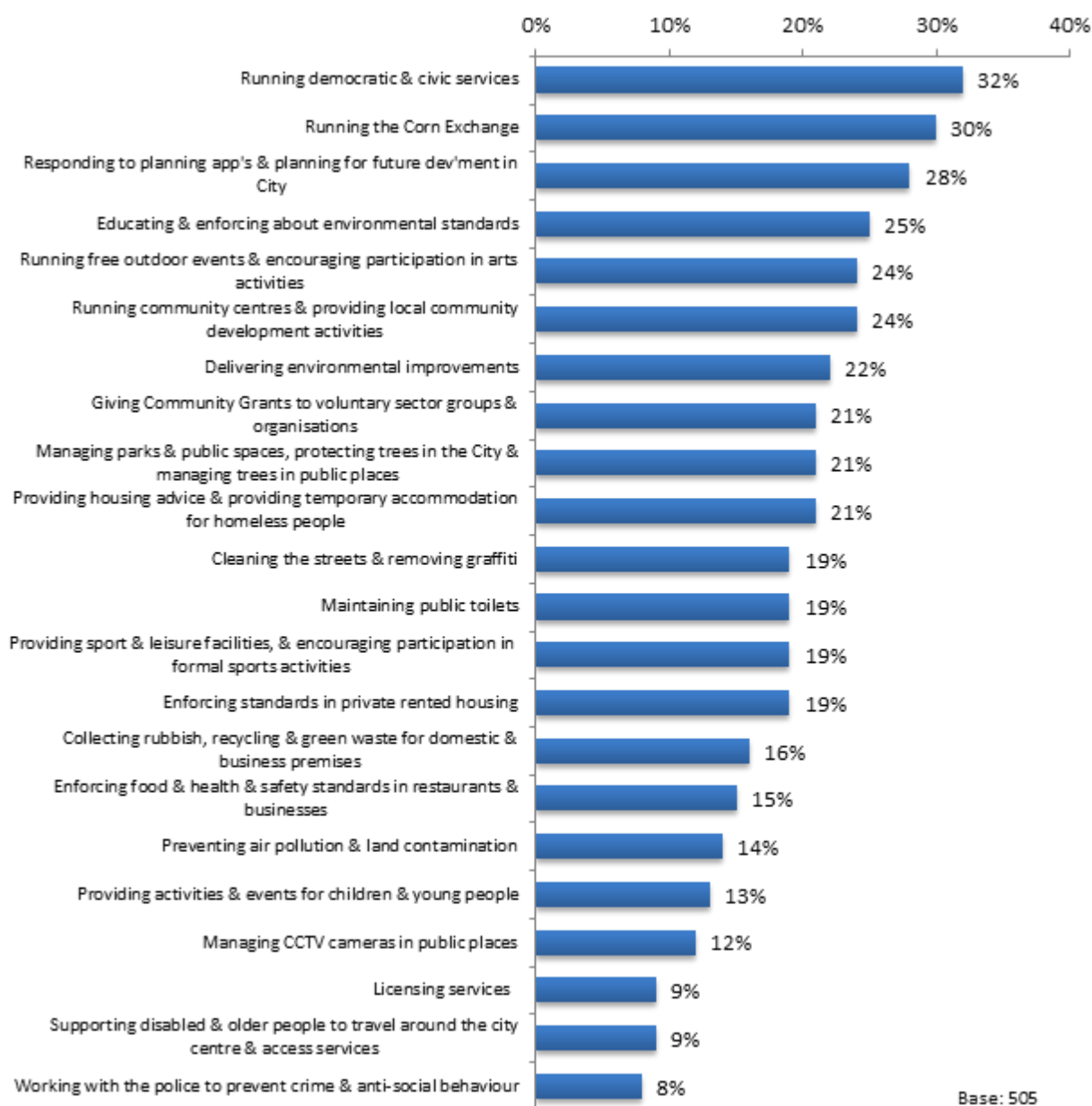
A total of 22 council services were included. These services were selected because there were opportunities for the council to make changes or do things differently with them. This is consistent with the approach adopted in the council's 2013 budget consultation. The cost of support services were factored into the total costs for each of the 22 services, to ensure that, as far as possible, they represented the true costs of delivering these services.

To maximise the realism of the exercise, participants were asked to identify a net minimum total of **£6 million of saving** across all the service areas included in the budget simulator. This total reflects the council's current savings target for the next five years. Participants could also suggest the amount that the council should increase or reduce Council Tax, but participants could not increase the level of Council Tax above 2%.

# Key consultation findings

Participants in the representative sample suggested spending reductions across all 22 service areas, reducing budgets by between 8% and 32%. Participants reduced the budget for **running democratic and civic services** by the greatest proportion (32%), followed by **running the Corn Exchange** (30%). The lowest average budget reductions were suggested for **working with the police to prevent crime and anti-social behaviour** (8%), followed by **licensing services** (9%) and **support for disabled people to travel around the city centre and access services** (9%).

## Reduction in spending from starting values



The highest average reduction in starting values suggested by participants was from environmental services, **responding to planning applications and planning for the future development of the city (£699,922)**, followed by **managing parks and open spaces and protecting trees in the city (£503,691)** and **collecting rubbish, recycling and green waste from domestic and business services (£493,362)**.

**Average reduction (£) in spending from starting values**



Services with larger starting budgets can be reduced by greater amounts in financial terms, than those with smaller budgets. However, the reduction will be proportionately smaller (i.e. smaller in percentage terms), than a reduction of the same financial amount from a smaller budget. Environmental services had amongst the highest total starting budgets of the 22

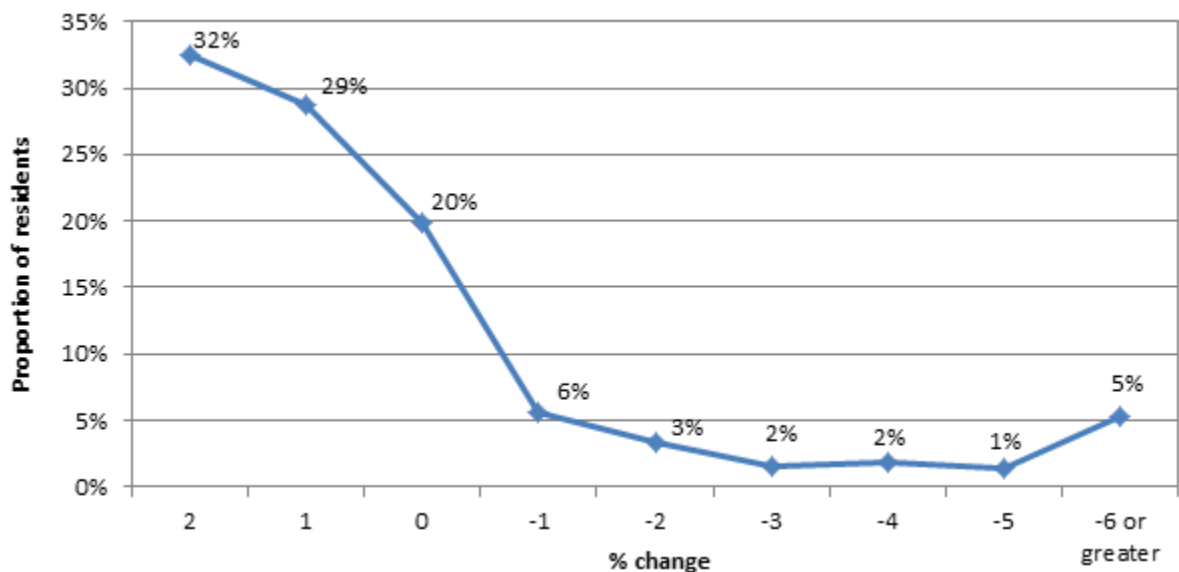
services, so the higher suggested reductions perhaps reflects the fact that participants could identify larger monetary savings by reducing the budgets of these services, in comparison to reducing the budget of smaller services by the same proportion.

Within the YouChoose budget simulator, participants were able to increase council revenues to off-set budget reductions. It was found that participants preferred generating extra income from commercial property owned by the council, rather than raising charges for the use of council services.

Participants were also able to off-set budget reductions through council efficiency savings across a number of suggested areas. It was found that 88% supported developing shared services with other local authorities; 77% supported looking at alternative ways of delivering services; 74% supported changing the way services are accessed; and, 55% supported reducing capital spending.

Finally, participants were able to balance the Council's budget by increasing or decreasing Council Tax. Increases were limited to 2% in line with Council Tax referendum thresholds. Overall 61% of participants chose to adjust the You Choose budget to meet a 1% or 2% increase in Council Tax, no higher increases were allowed. 20% selected a 0% increase and the remaining 19% chose to adjust the You Choose budget simulator to create a saving on Council Tax.

### Percentage Council Tax change



Further detailed analysis of the results of the budget consultation is available in the independent report produced by MEL, which can be found on the Council's website at: <https://www.cambridge.gov.uk/budget-consultation>

# Section 4

## General Fund Resources

### Local Government Finance Settlement 2015/16

The Final Finance Settlement published on 12 February 2014 gave illustrative figures for 2015/16. These were included within BSR 2014 and MFR 2014. No indications were given for 2016/17 and beyond, therefore the MFR assumed that the level of Settlement Funding Assessment (SFA) continued to reduce at a similar rate to that over the last two years until the entire Revenue Support Grant (RSG) has been removed.

The final Local Government Settlement was announced on 3 February 2015 which resulted in additional funding of £150 when compared to the provisional settlement announcement.

As part of the final settlement announcement the Government has determined the Council's spending power for 2015/16 to be as follows:

Element of revenue spending power	2014/15 £000	2015/16 £000	Change
Settlement Funding Assessment:			
- Revenue Support Grant (RSG)	4,311	3,013	(30.1%)
- Business rates baseline	3,804	3,877	1.9%
	<b>8,115</b>	<b>6,890</b>	<b>(15.1%)</b>
Community Right to Challenge Grant	9	-	-
Community Right to Bid Grant	8	-	-
2015/16 Council Tax Freeze Grant (indicative)	-	75	-
New Homes Bonus (NHB) Grant	3,376	4,963	47.1%
NHB – Returned Funding	13	13	-
Local Council Tax Support / HB Admin Subsidy	632	580	(8.2%)

<b>Element of revenue spending power</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Change</b>
CT Support New Burdens Fund	77	23	(70.1%)
SFA adjustment	40	57	42.5%
Council Tax income	6,702	6,807	1.6%
<b>Spending Power</b>	<b>18,972</b>	<b>19,408</b>	<b>2.3%</b>

These figures imply an increase of 2.3% compared to a national overall reduction in spending power 1.8%. Government projections are based on assumptions relating to Council Tax yields and the freezing of Council Tax levels (hence that Freeze Grant will be payable). The increase also implies that NHB income at the quoted level is available to fund standard spending by local authorities into the future.

MFR 2014 assumed a SFA of £6,901k. The final settlement is £11k, or 0.2% lower than this.

As expected, due to the impending General Election in May 2015, the final settlement gives no indication of funding levels beyond 2015/16.

## **Future prospects**

Although there are positive signs of recovery within the economy as a whole, the rebalancing exercise that the Government had committed to has not delivered the expected reductions in the deficit. It would therefore appear highly likely that there will be continued pressure on core funding for local authorities throughout the period of the next Parliament, with little scope for change to public spending plans relating to District Councils.

Our modelling of SFA over the budget period is shown in the table below, and is based on the following assumptions:

- the level of the SFA continues to reduce at a rate similar to that over the last two years until such time as all of the Revenue Support Grant (RSG) element has been removed (effectively a 13% reduction on SFA in each of the 4 years from 2016/17)
- this is the limit of the ability to reduce Government support under the current funding mechanism
- there will be no net increase in entitlement through the locally retained share of Business Rates

It does not allow for the potential for a new funding mechanism to be introduced once local authorities reach a point where their RSG is zero, although this may be considered by Government at some point in the future.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
SFA projection	6,004	5,224	4,545	3,954

## Local Retention of Business Rates

The Settlement Funding Assessment (SFA) approach enables local authorities to benefit directly from supporting local business growth. The assessment includes a baseline level of business rates receivable (indexed linked from an initial assessment in 2013/14) with the level of rates receivable above that being taken by Government as a 'tariff' – which will be used to 'top-up' local authorities who would receive less than their funding level. Government intends that this will be fixed until 2020.

In addition, the Council can retain 50% of any business rates collected above the assumed baseline level, paying the remainder to central government as a 'levy'. If business rates income falls to less than 92.5% of the baseline, the Council receives a 'safety net' payment so that any loss of income below the baseline is capped at 7.5%

One of the challenges faced by all authorities is effectively predicting the level of movement in the business rate tax base. This is dependent on accurately forecasting the timing and incidences of new properties, demolitions and significant refurbishments – together with the consequent effect on valuations. This is further complicated by the need to assess the level of appeals that will be lodged successfully against new / revised valuations, together with their timing.

2013/14 was the first year of operation of the business rates retention scheme. The requirement to make provision for appeals (including backdating) as at 31 March 2014 meant that the Council was due a 'safety net' payment in respect of 2013/14. This provision was significantly impacted by a number of appeals on properties with significant rateable values (close to or exceeding £1m) and estimated reductions of rateable value exceeding 20%.

Whilst the appeals position remains difficult to forecast accurately, now that an appeals provision has been established ongoing impacts should be less significant. Furthermore, the

government announced in the Autumn Statement that business rate payers will not be able to appeal against the 2010 valuation list after 31 March 2015. However, forecasting the effects and timing of new development and redevelopment on the city's tax base remains difficult. For example, where larger commercial properties are converted to student accommodation, they are no longer liable for business rates.

The overall position is currently projected to reflect additional net income above the baseline of £670k in 2014/15 and £800k from 2015/16.

The government announced a review of the future structure of business rates in the Autumn Statement to report by Budget 2016. The government has indicated that the review will be consistent with the agreed financing of local authorities.

### **New Homes Bonus**

The final allocation of NHB for 2015/16 was announced by the DCLG on 30 January and formed the basis for BSR 2015/16.

Forward projections of NHB entitlement are set out in Section 5.

Given the uncertainty about the continuation of this scheme in the longer-term the Council has adopted a prudent approach by putting the uncommitted portion of the funding received into an earmarked fund so that its use can be effectively considered in terms of fixed-period funding requirements. The section on earmarked funds below contains further detail on the planned use of these funds.

## **Earmarked and specific funds**

In addition to general reserves, the Council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. Details of opening and closing balances, with approved/anticipated use over the budget period are set out in Appendix E.

### **Review of earmarked and specific funds**

A review of the purpose and use of these funds was proposed in the MFR. The objectives of the review were:



### **Objectives of the review**

- To support the budget setting process by identifying revenue savings and releasing reserve balances no longer required
- To identify one-off funding to meet future savings requirements whilst longer term savings are delivered
- To identify funding to be used to pump prime transformation, improvement and savings projects
- To streamline financial processes and promote prioritisation of spend, flexibility, accountability and transparency

On 20 October 2014, Strategy and Resources Scrutiny Committee received a report describing the types of balance, the purpose of each type, and total amounts held by type. The report proposed, and the Executive Councillor approved, principles to be applied to each balance, as follows.

### **For all balances except repairs and renewals funds, and where there is no statutory, accounting or policy requirement for the reserve**

- Where balances are uncommitted, they will be moved to general reserves and the reserve closed as soon as all commitments are spent.
- Where there are regular contributions, these will be taken as savings unless it can be shown that the expenditure is still required. If this is the case, the required amounts will be retained within the budget, for spending within the year.
- Where expenditure in a year is expected to vary above any regular annual amount, budget holders will be expected to submit budget proposals for prioritisation.
- Where commitments are no longer required, the amounts will be returned to general reserves.

### **For repairs and renewals funds, following a more detailed analysis of contributions and usage**

- Committed balances will be reviewed as part of the review of the capital plan and processes.
- Where contributions support revenue expenditure that is still required, they will be retained within budgets for use within the year.
- The treatment of other contributions and existing balances will be based on the characteristics of the capital expenditure intended to be supported by balances. The default will be to return uncommitted balances to general reserves and take the

contributions as savings. Future capital expenditure will be allocated through the budget setting process, based on the prioritisation of available funding.

The following recommendations are made In line with these principles.

### **Repairs and renewals (R&R) funds – recommendations**

R&R funds will be retained for the replacement of vehicles. This will support the flexible management of replacement cycles in response to maintenance requirements on a vehicle by vehicle basis. Existing balances and contributions have been adjusted to ensure that sufficient, but not excessive amounts are available.

R&R balances attributable to Bereavement Services will be transferred into their trading account, to be used to fund their investment programme, as approved at Community Services Scrutiny Committee on 16 October. Contributions in excess of those required to fund the investment programme have been taken as a saving.

All other uncommitted R&R funds will be moved to general reserves and future capital expenditure will be allocated through the budget setting process based on the prioritisation of available funding.

R&R balances committed through the capital plan will be examined during the review of the plan.

Annual contributions will be redirected into repairs, maintenance and minor replacement budgets for redecoration, furniture and PC peripherals together with a contingency budget to act as a safety net in 2015/16 only. £1m will be used to provide direct revenue funding for capital expenditure, replacing approximately two thirds of average, annual non-vehicle capital spend from R&R over the last five years.

The financial impact of these proposals, based on estimates for balances at 31 March 2015 and 2015/16 contributions, is summarised below:

<b>Annual General Fund R&amp;R contributions</b>	<b>£000</b>	<b>£000</b>
<b>Existing</b>		
Budgeted service contributions		2,981
Vehicle fleet contribution		776
		<b>3,757</b>
<b>Proposed</b>		
Annual R&R contribution converted to maintenance sum	800	
Contingency budget for maintenance spend	80	
Furniture/redecoration annual sum	20	
PC/screen replacement annual sum	15	915
R&R contribution (refuse vehicles)	500	
R&R contribution (non-refuse vehicles)	500	
R&R contribution (Bereavement Services)	150	1,150
Direct Revenue Financing Sum		1,000
		<b>3,065</b>
<b>Estimated annual saving</b>		<b>692</b>

<b>R&amp;R balances</b>	<b>£000</b>
Estimated uncommitted balance at 31 March 2015	10,947
Fleet (refuse vehicle) balance to be retained	(1,020)
Balances to be transferred to Bereavement Services Trading Account Trust (estimate, dependent on spend to 31 March 2015))	(440)
Balances to be transferred to Arts Trust (estimate, dependent on spend to 31 March 2015))	(100)
R&R Funds to be returned to General Fund/earmarked for different purpose	<b>9,387</b>

#### **Other specific and earmarked funds – recommendations**

- The major policy-led funds, Sharing Prosperity and Climate Change, will be retained.
- The governance procedures for the Sharing Prosperity Fund will be amended so that spending can be approved during the year, not just through budget processes, as at present. Approval processes will be proportionate to spending proposals.

- The uncommitted balances on the funds in the table below will be moved to general reserves, and the funds closed when all committed balances are spent.
- Regular contributions will be returned to budgets to support expenditure that would have been made from the funds. No contingency budget is proposed, as regular spending from these funds is small and it is expected that variations will be managed within existing budgets.

<b>Earmarked or specific fund proposed for closure</b>	<b>Uncommitted balance (£000)</b>	<b>Notes</b>
Revenue contribution to capital schemes	110	Old balance, fund no longer in use
Major planning appeals	135	Cover appeals from general reserves as required
CPO balance	222	No longer required. > 6 years after sale of relevant property
Grand Arcade lease premium	211	Accounting complexity not required. Related income budget of £6k p.a. will be removed.
Pension Fund earmarked reserve	985	Capital contributions now included within budgets, so fund no longer needed
Project facilitation fund	34	Fund no longer in use. Fund any future requirements from revenue through budget processes
Fixed term priority project fund	135	Fund from revenue as required through budget processes
Rating revaluation appeals	5	Fund no longer in use. Fund from revenue as required
Mapping poverty research	7	Not being used. Fund from revenue as required through budget setting processes
Property strategy fund	11	Convert contribution to an on-going budget to support consultancy and feasibility work to develop the Council's property portfolio.
Council Tax earmarked for growth	160	Return contributions of £200k p.a. to core funding and fund growth requirements from there.
Keep Cambridge Moving Fund (A14 mitigation)	700	Funding not required until 2020. Proposal included in this report to provide from NHB in 2019/20 (or funded from General Fund, if necessary).
<b>Total</b>	<b>2,715</b>	

## **Existing Funds**

### **Asset Repairs and Renewals Funds**

These are maintained to fund major cyclical repairs and periodic replacement of assets. Annual contributions are based on estimated replacement and repair costs, spread over the anticipated life of the assets. Following the review, R&R funds will be kept for vehicles only, however a contribution of £150,000 will be made to the Bereavement Services Trading Account.

### **Climate Change Fund**

The fund is used to finance projects that will contribute to the achievement of the Council's vision of caring for the planet through climate change and carbon reduction measures. Activities to be supported include infrastructure, equipment, feasibility studies or promotional activities that contribute towards energy and fuel efficiency, sustainable transport, waste minimisation or management of climate change risks. This policy-led fund will be retained.

### **Council Tax Earmarked for Growth**

This earmarked fund was set up in recognition of the additional cost pressures which the Council faced as a consequence of significant growth in housing and population over the coming years. In future, these pressures will be funded from core funding, as for any other type of pressure, and this fund will be closed. Sources of core funding, such as Council Tax and Business Rates increase with growth, but with a time lag.

### **Developer Contributions**

These are contributions made by developers towards the costs associated with their developments, for example community infrastructure. The majority of the unspent contributions are held as capital contributions unapplied. Schemes funded from these monies, in part or in whole, will be brought forward as capital bids and subject to the review and scrutiny process applied to all capital schemes.

### **Development Plan Fund**

There is an ongoing need for the Development Plan Fund to enable the City Council to fulfil its statutory plan-making function. The Council was required to update its local plan by 2014. The draft plan is currently subject to public examination. The major investment

required means that it is prudent to accrue an appropriate sum over a period of years to meet costs that fall over a short period of time.

### **Efficiency Fund**

The fund is available for bids to support the delivery of savings to the General Fund through identified and agreed service reviews. The Chief Executive has delegated authority to consider and approve bids against this funding. Bids must be for one-off costs that are not funded from alternative sources. Priority is given to bids that offer the greatest level of ongoing savings. This fund will be retained.

### **New Homes Bonus (NHB) Reserve**

In light of the scale of additional funding projected to be available in future years, coupled with uncertainty as to the future funding source for this grant, uncommitted funds from NHB grant are held in an earmarked reserve enabling more effective consideration of their application. Forward projections of NHB are uncertain as they are based on estimated housing completions each year.

This funding supports work and projects which help the city accommodate growth in a sustainable way and with sensitivity to the city's character. As part of the budget process, use of NHB funding is being recommended in respect of bids to support capital investment in the city, investment with local authority partners through the City Deal and the delivery of other City Deal objectives. In previous years the Council's approach has been to commit funding at the point where each year's grant determination is confirmed. However, the substantial increase in the level of commitments represented by the contributions to investment and delivery has made it necessary to recognise future NHB income based on the latest available housing projections.

Cambridge house building projections, including the results of the Local Plan still to be adopted, are expected to peak in 2016/17. Therefore Cambridge NHB receipts, based on current formulae, are projected to decline significantly after 2022.

If less NHB is available in the future, the first call on this funding will be for existing Council commitments using NHB, including A14 mitigation. The planned future contribution to the City Deal will not be feasible if no NHB is available.

### **Pension Fund Reserve**

The reserve was created to address anticipated increases in employer contributions following the triennial review of the Pension Fund and outcomes of the fundamental

structural review of public service pension provision by the Public Services Pensions Commission, chaired by Lord Hutton.

The impact of the triennial valuation has now been fully included in budgets, therefore the remaining balance is no longer needed and will be released to general reserves.

### **Project Facilitation Fund**

The Fund was created to mitigate slippage in programmes and schemes contained within the Council's Capital Plan. Given the irregular nature and timing of major projects, the fund provided additional resources to ensure that these schemes and programmes could be delivered as planned.

As there have been no bids against this fund for two years, the balance will be returned to general reserves and the fund closed, as suggested in BSR 2014.

### **Property Strategy Fund**

The Council made annual contributions to the Property Strategy Fund, to enable consultancy and feasibility work to be undertaken to contribute to the ongoing development of the Council's property portfolio. The annual contribution will be converted to a budget from which such work can be funded, and the fund closed.

### **Technology Investment Fund**

This Fund was set up to facilitate investment in projects to develop existing, and introduce new, ICT systems and infrastructure. The fund will be fully spent by the end of 2014/15 and will be closed.

### **Keep Cambridge Moving Fund (A14 mitigation)**

Highway improvements to the A14 will enable vehicles to get to the edge of Cambridge more easily in future, potentially increasing congestion and creating unsustainable travel patterns. Mitigation measures will be considered in concert with the wider project.

The fund was to be deployed to leverage combined investment in a project or projects meeting our objectives, along with partners, including the County Council as highway authority, and the Department for Transport. It was anticipated that the Fund would focus on strategic transport proposals with objectives that would:

- ease movement of people and goods to/from and within the city;
- minimise the environmental impact of transport;

- form part of a sustainable transport strategy that minimises carbon emissions; and
- support the local economy.

It is now clear that these projects will not be required until 2020 at the earliest. Therefore it is intended to release the balance of the fund to general reserves, making it available to support other initiatives. This BSR contains a proposal to provide £1.5m to fund this work from NHB in 2019/20.

## **New funds**

### **City Deal Investment and Delivery Fund**

The Council has committed to pooling a proportion of gross NHB receipts with its local authority partners to provide funding to enable delivery of City Deal objectives which will support and address the impacts of growth. 40% of gross NHB receipts in 2015/16 and 50% thereafter will be placed into the fund. It is expected that the governance of the fund will be aligned with the governance of the City Deal, but the form of this is to be agreed.

### **Invest for Income Fund**

It is recommended that an Invest for Income Fund is set up with amounts released by the review of specific and earmarked funds and the capital plan review. Contributions of £8m over 3 years will be placed into the fund, with the purpose of investing to create income streams to support service delivery in future years. An investment programme will be developed, subject to appropriate scrutiny, with allocation of resources through the budget process.

# Tax base and Council Tax

## **Tax base**

The tax base is one element in determining both the level of Council Tax to be set and the amount it is estimated will be collected. Council formally agrees the tax base as part of the budget setting process, although in practice the responsibility is delegated to the Head of Finance to enable notification to be made to the major precepting authorities during January each year.

The tax base reflects the number of domestic properties in the City expressed as an equivalent number of Band D properties, calculated using the relative weightings for each



property band. The calculation of the tax base takes account of various discounts (for example a 25% discount for single adult households) exemptions and reliefs. Allowances are also made for the projected growth in the number of dwellings as well as including a deduction assumed for non-collection.

The tax base for 2015/16 has been calculated as 39,946.2 and details of its calculation are given in Appendix A(a) and will form the basis of the final approved level for tax setting and precepting purposes. This reflects a 3.3% increase in the tax base compared with 2014/15.

## **Collection Fund**

### **Operation of the Fund**

The Collection Fund is a statutory fund, maintained by billing authorities such as the City Council, into which income from Council Tax and Business Rates is recorded and out of which respective amounts set for the year, are paid to the City Council and precepting bodies.

### **Forecast position at 31 March 2015**

The Collection Fund for Council Tax is projected to have a deficit at the end of the current year of £536,459. The City Council's share of this projected year-end deficit is £60,333 and this will need to be taken into account in setting the Council's budget for 2015/16. The position for Business Rates was described in Section 3.

## **Council Tax thresholds**

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

In recent years this threshold has been set at 2%. On 3 February 2015 the Government confirmed that this level would remain and that any authority setting an increase of 2.0% or more would need to hold a referendum.

The overall effect of the referendum requirements is such that a local authority would need to have reasonable expectation of public support for a level of Council Tax increase deemed to be excessive compared to the threshold, if acting in a prudent manner.

## Council Tax level

Financial projections of the Council Tax level made for the September 2014 MFR included the assumption of an increase of approximately 2% per annum from 2015/16.

It has been confirmed, through the Local Government Finance Settlement process that Freeze Grant will be paid to relevant authorities in 2015/16 where there is no increase over 2014/15 Council Tax levels. Ministers have indicated the intention that the grant will be included in the baseline Settlement Funding Assessment for future years. However, as noted above, the City has adopted the assumption that there will be significant reductions in the level of SFA under the next Spending Review.

Freeze Grant for the City of would be £78,604 in 2015/16, if the Council choose to freeze the 2015/16 Council tax level.

If the City was to freeze the level of Council Tax in 2015/16, instead of implementing the 1.997% increase originally proposed then the immediate effect would be a reduction in Reserves in 2015/16 of £59,610 (£138,214 less £78,604), reflecting the loss of Council Tax yield net of Freeze Grant.

This analysis, in the context of the current financial pressures facing the Council, makes it difficult to determine that the freeze scheme could be supported taking the medium-term view.

Projections incorporated in the BSR are, therefore, based on the Council not adopting the scheme to freeze the level of Council Tax for 2015/16. In light of the position with regard to the Council Tax threshold, as described above, the BSR incorporates a Council Tax increase of 1.997% p.a. in 2015/16.

Section 52Z of the Local Government Finance Act 1992 requires the authority to consider whether the relevant basic amount of Council tax for the financial year in question is excessive, based on the principles determined by the Secretary of State. As noted above, the threshold set for 2015/16 is that an increase is excessive where it is 2% or more than 2%, which means that the City's proposed increase would not be deemed excessive.

The table below shows the City Council element of Council Tax for 2014/15 for each property band together with the proposed levels for 2015/16:

	City Council Tax		
Band	2014/15 £	2015/16 £	Difference £
A	115.53	117.83	2.30
B	134.78	137.47	2.69
C	154.04	157.11	3.07
<b>D</b>	<b>173.29</b>	<b>176.75</b>	<b>3.46</b>
E	211.80	216.03	4.23
F	250.31	255.31	5.00
G	288.82	294.58	5.76
H	346.58	353.50	6.92

# Section 5

## General Fund Revenue Budgets

### Revised Budget 2014/15

General Fund revenue budgets for the current year (2014/15) were reviewed as part of the MFR. It should be noted that the revised budget includes carry forward approvals from 2013/14, and savings and unavoidable bids in the current year. No further adjustment of 2014/15 revenue budgets is proposed, as budgets are monitored monthly through the review of variances and forecast outturns, and management actions taken to ensure that spending is controlled and income optimised.

Direct revenue funding of capital (DRF) changes, identified through the MFR, resulting from the net re-phasing of capital expenditure from 2014/15 into future years are also incorporated in the updated Capital Plan and associated funding statement.

<b>Revised budget items</b>	<b>2014/15 £000</b>
MFR savings	(257)
MFR pressures	382
<b>Net effect on current year budget</b>	<b>125</b>

Additionally, the review of the current Capital Plan has led to the identification of a number of schemes where DRF can be released, see details in Section 7. If all these requests are approved the consequence for the revised 2014/15 budget would be a reduction in Direct Revenue Financing of £178k. The BSR projections assume that these requests are approved.

### Budget proposals

The General Fund revenue projections for 2015/16 to 2019/20 as presented in the MFR have been reviewed and changes proposed. Proposals have arisen from policy initiatives, service transformations, unavoidable increases in costs, savings opportunities, together with changes in estimates and assumptions.

The impact of these proposals is shown below. The detailed proposals are set out in Appendices B(a) and B(b).

## Performance against savings target

Savings targets	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>MFR 2014 - Current Savings Target (new savings each year)</b>	<b>1,225</b>	<b>1,323</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>
Previous year savings not achieved / (over achieved)		(602)	-	-	-
<b>Revised savings target</b>	<b>1,225</b>	<b>721</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>
Impact on savings target - pressures - excluding additional PPF provision	1,680	270	305	383	511
Impact on savings target - pressures - additional PPF provision	38	16	-	-	-
<b>Revised savings target including pressures</b>	<b>2,943</b>	<b>1,007</b>	<b>1,103</b>	<b>1,456</b>	<b>2,058</b>
Impact on savings target - New deliverable savings found in year	(3,545)	(784)	(1,057)	(465)	(245)
<b>Savings still to be found</b>	<b>(602)</b>	<b>223</b>	<b>46</b>	<b>991</b>	<b>1,813</b>
<b>Savings found as a % of revised savings target</b>	<b>120.44%</b>	<b>77.83%</b>	<b>95.83%</b>	<b>31.94%</b>	<b>11.90%</b>

This shows that the savings target for 2015/16 should be achieved in year and more than £600k is expected to be contributed to future year savings. For the purposes of this table, it has been assumed that where there are savings still to be found they will be achieved in the year, and will not therefore roll forward to later years. It should be noted that the Council has embarked on a long term programme of savings and income generation, which will require an on-going focus on delivery. Work is already in progress to identify more projects to contribute to savings requirements going forward.

The table shows that the overall effect of the measures recommended in the BSR has:

- Resulted in a total level of net savings of £2.9m across the period from 2015/16 to 2019/20.
- Resulted in a net savings requirement of only £223k for the next budget year (2016/17), and £46k net savings requirement for the year after that. This provides a window of opportunity for the Council to deliver the transformational changes described elsewhere in this report.

## **Review of significant proposals**

### **Transformation programme savings**

A number of proposals reflect savings and costs arising from on-going and planned projects within the transformation programme. Projects include the creation of alternative delivery models, shared services and the exploitation of technology to support service delivery. Proposals are included once costs, savings and timescales can be assessed with reasonable certainty.

### **Review of earmarked and specific funds**

The MFR proposed a review of these funds, which is reported in Section 4. On-going savings of £892k are proposed as a result of this review.

### **Capital funding**

The Council provides revenue support for funding of the Capital Plan through base annual contributions (Direct Revenue Funding, or DRF). Given the current financial pressures faced by the Council, it is recommended that the policy of funding these existing DRF amounts from NHB (2015/16 and 2016/17) is extended for the remaining three years of the budget period, as a minimum.

R&R funds were reviewed as a part of the review of earmarked and specific funds (see Section 4). The review recommends that £1.0m of the annual contribution to R&R funds is converted to DRF to partially support capital schemes that would have been funded from R&R funds.

### **New Homes Bonus (NHB)**

The table below shows estimates of future NHB receipts and commitments against these estimates, with uncommitted amounts being held in an earmarked reserve. Two additional commitments are proposed; firstly to extend the use of NHB to fund existing DRF amounts through to 2019/20 and beyond (see above); and to make contributions into a City Deal Investment and Delivery Fund, see Section 4.

It has already been noted that NHB receipts may be at risk, depending on the continuation of the funding stream and actual housing completions. If NHB receipts fall to the extent that all commitments cannot be funded, it will be necessary to review allocations in the light of competing priorities at the time. However, the current working assumption is that allocations to the Council's budgets will be protected in the first instance and contributions to the investment and delivery fund will be adjusted.

<b>New Homes Bonus</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>Confirmed NHB funding at February 2014 BSR</b>	<b>(2,085)</b>	<b>(2,085)</b>	<b>(2,085)</b>	<b>(1,298)</b>	<b>(563)</b>	<b>-</b>
<b>add</b>	-	-	-	-	-	-
Estimated NHB receipts for 2014/15	(1,291)	(1,291)	(1,291)	(1,291)	(1,291)	(1,291)
Estimated NHB receipts for 2015/16	-	(1,587)	(1,587)	(1,587)	(1,587)	(1,587)
Estimated NHB receipts for 2016/17	-	-	(1,054)	(1,054)	(1,054)	(1,054)
Estimated NHB receipts for 2017/18	-	-	-	(939)	(939)	(939)
Estimated NHB receipts for 2018/19	-	-	-	-	(1,269)	(1,269)
Estimated NHB receipts for 2019/20	-	-	-	-	-	(1,163)
<b>Potential New Homes Bonus Total</b>	<b>(3,376)</b>	<b>(4,963)</b>	<b>(6,017)</b>	<b>(6,169)</b>	<b>(6,703)</b>	<b>(7,303)</b>
	-	-	-	-	-	-
<b>Commitments against NHB</b>	-	-	-	-	-	-
Funding for officers supporting growth e.g. within planning	818	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	253
Direct revenue funding of capital – to supplement other sources of capital funding	880	1,020	880	-	-	-
Other approvals	1,114	-	-	-	-	-
<b>Total commitments against NHB</b>	<b>3,376</b>	<b>2,369</b>	<b>2,229</b>	<b>1,349</b>	<b>1,349</b>	<b>1,038</b>
	-	-	-	-	-	-
<b>NHB uncommitted before allocations in BSR</b>	-	<b>(2,594)</b>	<b>(3,788)</b>	<b>(4,820)</b>	<b>(5,354)</b>	<b>(6,265)</b>
	-	-	-	-	-	-
<b>New approvals - direct revenue funding of capital - transfer from SFA</b>	-	<b>150</b>	<b>195</b>	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>
<b>New approvals - contribution to City Deal Investment and Delivery Fund</b>	-	<b>1,985</b>	<b>3,009</b>	<b>3,085</b>	<b>3,352</b>	<b>3,652</b>
<b>New approvals - A14 mitigation</b>	-	-	-	-	-	<b>1,500</b>
<b>NHB uncommitted</b>	-	<b>(459)</b>	<b>(585)</b>	<b>(661)</b>	<b>(928)</b>	<b>(39)</b>

### **Pension Fund**

The latest triennial valuation of the Pension Fund covers 2014/15 to 2016/17. This valuation changed the basis of contributions from a single percentage contribution rate to be applied to all pensionable pay in a particular year to that of a percentage to reflect the ongoing costs to the fund together with a cash lump sum each year which is designed to reflect recovery of sums associated with past service. The following table shows the employer's contribution rates:



<b>Employer's Contribution</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Base contribution (%)	17.4	17.4	17.4
Annual lump sum contribution (£000)	769	1,303	1,881

Contributions for 2017/18 and beyond will be fixed by a further triennial valuation based on the position as at 31 March 2016. However, based on the trend in the annual lump sum contribution, continuing concerns over the sustainability of the economic recovery, and increasing life expectancies, it is considered prudent to increase the budget provision for pension fund contributions in 2017/18 onwards. Therefore, additional budget amounts, to increase annual lump sum contributions, calculated to maintain the rate of increase experienced from 2015/16 to 2016/17, are shown in the table below:

	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
General Fund	440	910	1360
Housing Revenue Account	180	360	540
<b>Total</b>	<b>620</b>	<b>1270</b>	<b>1900</b>

### **Investment income**

The Council receives approximately £6.5m of external income each year from its commercial property portfolio, which is used to support the delivery of services to residents, businesses and visitors. The levels of income are carefully monitored and budgets adjusted to reflect income expectations. The review of reserves has identified balances that can be invested in one or more commercial properties to achieve additional income of £400k each year. A capital proposal for the purchase is included in Appendix D (a).

Furthermore, additional investment income is expected to arise from the investment of £10m of cash balances in the CCLA Local Authorities' Property Fund, which was added to the Council's treasury management investment strategy at Council in July 2014. This income is shared between the General Fund and the Housing Revenue Account to reflect the cash balances arising in each account. The General Fund share of additional income is expected to be £250k each year.

# Bids for external or earmarked funds

As set out in Section 4, in addition to General Reserves, the Council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. Appendix B(d) provides details of the bids against these funds, or to external funding sources, as part of the 2015/16 budget process.

The affordability of these bids is demonstrated in the statement of fund balances contained within Appendix E.

## Priority Policy Fund (PPF)

The General Fund PPF provides enables the redistribution of resources within the overall cash limit, in recognition of priorities identified through the Council's Vision for the City, the medium term programme and public budget consultation.

The September 2014 MFR provided funding for PPF Bids of £100k per annum for 2015/16 and future years. The current list of PPF Bids is shown in Appendix B(c).

Priority Policy Fund 2015/16	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>PPF funding available (MFR 2014)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>
Additional funding provided	(38)	(54)	(54)	(54)	(54)
<b>Total funding available</b>	<b>(138)</b>	<b>(154)</b>	<b>(154)</b>	<b>(154)</b>	<b>(154)</b>
Bids into the PPF	138	154	154	154	154
<b>Shortfall / (Unused) funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

In reviewing PPF Bids for approval, the Council's process requires that consideration is given to the relative value of PPF bids compared to the additional savings that their inclusion would require. In this case, the level of funding available from the MFR is exceeded in all years, giving rise to savings requirements above those reported at that point.

The additional cost of £38k in 2015/16 will be met from core revenue funding, whilst the shortfall from 2016/17 onwards will be addressed by the increasing the net savings requirement in those years.

# Section 6

## General Fund: Expenditure and funding 2015/16 to 2019/20

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>Expenditure</b>						
Net service budgets	19,813	18,488	18,988	19,327	20,125	19,976
Revenue budget proposals - MFR	125	(90)	(75)	(75)	(75)	(75)
Revenue budget proposals - BSR	-	(2,827)	(3,325)	(4,077)	(4,159)	(3,893)
Revenue budget proposals - BSR Other	-	-	-	-	-	-
Future years PPF provision	-	100	100	100	100	100
Capital accounting adjustments	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)
Capital expenditure financed from revenue	2,230	9,791	1,562	1,880	1,880	1,880
Contributions to earmarked funds	2,678	9,784	4,263	3,857	2,622	3,869
Revised net savings requirement	-	602	(223)	(46)	(991)	(1,813)
Contribution to reserves	-	-	255	40	824	1,078
<b>Net spending requirement</b>	<b>20,190</b>	<b>31,192</b>	<b>16,889</b>	<b>16,350</b>	<b>15,670</b>	<b>16,466</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(8,115)	(6,889)	(6,004)	(5,224)	(4,545)	(3,954)
Locally retained Business Rates – Growth element	(670)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	(93)	-	-	-	-	-
New Homes Bonus (NHB)	(3,376)	(2,519)	(2,423)	(2,423)	(2,423)	(3,612)
Appropriations from earmarked funds	522	(13,499)	(254)	(194)	-	-
Council Tax	(6,706)	(7,058)	(7,408)	(7,709)	(7,902)	(8,100)
Contributions from reserves	(1,752)	(427)	-	-	-	-
<b>Total funding</b>	<b>(20,190)</b>	<b>(31,192)</b>	<b>(16,889)</b>	<b>(16,350)</b>	<b>(15,670)</b>	<b>(16,466)</b>

# Section 7

## Capital

### Introduction

The Council's asset portfolio as at 1 April 2014 is shown below.

Category	Value £000	%
<b>Operational assets:</b>		
Council dwellings	497,772	65.3
Other land and buildings	122,838	16.1
Vehicles, plant and equipment	8,357	1.1
Infrastructure assets	2,211	0.3
Community assets	1,122	0.1
<b>Total operational assets</b>	<b>632,300</b>	<b>82.9</b>
<b>Non-operational assets</b>		
Investment properties	118,529	15.6
Surplus properties	5,108	0.7
Assets under construction	6,365	0.8
<b>Total non-operational assets</b>	<b>130,002</b>	<b>17.1</b>
<b>Overall total</b>	<b>762,302</b>	<b>100.0</b>

The portfolio includes council housing, assets for direct service provision such as swimming pools, community centres, car parks, vehicles and equipment, as well as substantial areas of common land. In addition to the assets used for service provision, the Council has a portfolio of commercial property. Each asset needs to provide an appropriate return on the investment made by the Council and also be fit for the purpose for which it is used.

The Council is developing a long term accommodation strategy to consider the best use of our administrative buildings. This review is linked to work to determine the most appropriate service delivery models (e.g. shared services) and working practices (e.g. flexible and/or remote working) for the future.

# Review of capital plan

MFR 2014 proposed a review of the capital plan to address its size and complexity. A number of concerns were identified, including the:-

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

Phase 1 of the review examined the current plan in order to release internal funding (e.g. Direct Revenue Funding (DRF), R&R capital receipts etc.) by identifying projects that are not yet ready for delivery, are no longer required, or are not true capital projects. This will make the plan more deliverable. The funding will be released into GF reserves where it will be available for use on current priorities. The review has also piloted a method of prioritising capital spend. The table below sets out schemes that are recommended for closure, or require further development, and the funding released as a result. Projects placed on the Projects Under Development (PUD) list will be brought forward for prioritisation against available funding when an outline business case and delivery plan has been developed.

Capital Plan Review	Description	Funding Released to GF reserves £000			Other	Comment
		DRF	R&R	Earmarked review		
Delete from Plan	Additional investment in commercial property portfolio	-	-	-	(1,316)	Intended funding not received, alternative proposal for funding included in Appendix D(b)
Delete from Plan	Compulsory Purchase Orders	-	-	-	(400)	None planned. Funding will be made available as needed.
Delete from Plan	HMO management orders	-	-	-	(50)	None planned. Funding will be made available as needed.
Delete from Plan	Keep Cambridge Moving Fund Contribution	-	-	(700)	-	No projects yet identified, spending is expected in 2019/20 or later. Alternative funding proposed.
Transfer to PUD	Local centres improvement programme	(975)	-	-	-	Individual schemes under development, but timing and costs not yet known. Programme placed on PUD list

Capital Plan Review	Description	Funding Released to GF reserves £000			Other	Comment
		DRF	R&R	Earmarked review		
Transfer to PUD	Refurbishment of Park Street Car Park	(3,400)	-	-	-	Feasibility of various schemes under review. Timing and costs not yet known. Placed on PUD list
Close	Vehicle replacement programme	-	(1,452)	-	-	Revised R&R fund balance and annual contributions recommended through reserves review.
Close	Energy efficiency improvements to private sector housing	(25)	-	-	-	Now covered within the Green Deal
Close	Cambridge Crematorium – staff room refurbishment	-	(30)	-	-	Project shelved
Close	Corporate document management system	(144)	-	-	-	Some parts of the project now substantially complete. Shared services may drive changes to requirements, so funding released pending re-evaluation
Close	Various projects	(42)	(48)	-	-	Complete
Transfer to PUD	Public conveniences	(437)	-	-	-	Funding released pending review of the provision of some public conveniences
Transfer to PUD	ICT infrastructure programme	-	(360)	-	-	Funding released pending review of ICT infrastructure programme and alternative delivery methods
Transfer to PUD	Administration buildings asset replacement programme	-	(274)	-	-	Funding released, awaiting proposals for specific projects
Transfer to PUD	Commercial properties asset replacement programme	-	(475)	-	-	Funding released awaiting proposals for specific projects
	<b>Total Capital Plan Review</b>	<b>(5,023)</b>	<b>(2,639)</b>	<b>(700)</b>	<b>(1,766)</b>	
	<b>Capital with funding returning to GF reserves</b>				<b>(8,362)</b>	
	<b>Total capital funding changes</b>				<b>(10,128)</b>	

Phase 2 will examine the capital processes and procedures with a view to simplifying and standardising, and ensuring that approval processes are streamlined and robust.

## Financing

Capital schemes are funded from a variety of internal and external funding sources.

Internal:

- Earmarked and specific funds (e.g. R&R)
- Capital receipts
- NHB
- Revenue resources

External:

- Developer and other contributions
- Grants, National Lottery etc.
- Prudential borrowing

The review of reserves (Section 4) has recommended that the use of R&R funds is restricted to existing commitments and, going forwards, to vehicle replacement only. The review of the capital plan has also sought to reduce commitments funded from internal sources. Together, these will reduce the amount of internal funding available in future years, thereby requiring prioritisation of capital proposals to those that best support Council priorities and are sufficiently well developed to ensure timely delivery.

There are three proposed changes to capital funding:-

- To mitigate the removal of substantially all R&R funds, a DRF contribution of £1m per year is recommended to replace some of the R&R funding used in the delivery of the capital plan
- A one-off contribution from reserves of £8m is recommended to fund additional commercial property and provide opportunities to restructure the commercial property portfolio
- Support to capital spending currently provided by NHB will be extended indefinitely. This provides a current saving to the GF, but increases the risk to DRF contributions through dependence on continuing housing growth

Capital funding available	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>Funding available and unapplied (MFR Oct 2014)</b>	<b>(149)</b>	<b>(44)</b>	<b>(562)</b>	<b>(880)</b>	<b>(880)</b>	<b>(880)</b>
Reduce DRF	-	-	-	-	-	-
R&R additional DRF	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Fund new bid	-	(8,000)	-	-	-	-
<b>Total funding available</b>	<b>(149)</b>	<b>(9,044)</b>	<b>(1,562)</b>	<b>(1,880)</b>	<b>(1,880)</b>	<b>(1,880)</b>

<b>Capital funding available</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
New bids using funding	-	8,332	250	250	250	-
<b>Net funding available</b>	<b>(149)</b>	<b>(712)</b>	<b>(1,312)</b>	<b>(1,630)</b>	<b>(1,630)</b>	<b>(1,880)</b>

This provides the context for considering the affordability of the capital bids which have been submitted as part of the 2015/16 budget process.

The projections in the remainder of the BSR assume that all of the capital proposals are approved.

## Future capital receipts

The Council has a small portfolio of potential development land that could be sold to generate significant capital sums. This would provide land for commercial or housing development to meet the growth requirement within the city and funds for reinvestment. Alternatively, the Council may choose to invest its resources in some of these sites, depending on the level of returns.

Identified significant future disposals and anticipated date of capital receipt, in full or part, are shown in the table below.

<b>Anticipated disposal</b>	<b>Fund</b>	<b>Asset</b>	<b>Comment</b>
2015/16	General	Cowley Road Access Strip	This will be sold to coincide with the development of the new station
2016/17	General	Site K1, Orchard Park	Community co-housing scheme with the potential for capital receipts over several years
2017/18	General	Park Street Car Park	Potential part disposal to finance replacement car park
2018/19	General	Mill Road Depot	Potential part or whole disposal subject to outcomes of Accommodation Strategy
Uncertain	General	Land at Cowley Road incl. former Park & Ride Site and Golf Driving Range	Development partner being sought with the potential for capital receipts over several years

## Prudential Borrowing

There are a number of other areas where the Council may choose to use prudential borrowing as the most appropriate means of financing new capital requirements:



- **Clay Farm Community Facilities** - it is currently anticipated that the Council will take-on the lead role in the provision of these facilities, and it is estimated that this may involve the need to borrow around £2.8m.
- **Clay Farm Collaboration Agreement** - under the agreement the City and other development partners will be required to contribute to the shared cost of providing infrastructure in order to facilitate development of the site. These costs will ultimately be funded from the disposal of the Council's land interests, but the capital receipt is unlikely to be available at the point the infrastructure is developed. Therefore short-term 'internal' borrowing will be considered as a means of financing the collaboration agreement costs until the receipt is achieved. This is reflected in the Council's Treasury Management Strategy.

## Capital Proposals

Funding released from the reviews of the capital plan and earmarked and specific reserves have provided an opportunity to look at the future of the commercial property portfolio. This BSR proposes to assign £8m of financing to the purchase of commercial properties, with a view to securing income to support the delivery of services.

All capital proposals are shown in detail in Appendix D(a).

## Capital Plan

The Council's Capital Plan shows anticipated expenditure for the next 5 years, where relevant, for each programme or scheme. Due to the flexibility in devolved decision making applicable to certain types of developer contributions (S106) and the nature of long term programmes it is not always possible to accurately forecast future expenditure until individual projects have been identified. Therefore, whilst budgets for 2015/16 can be allocated with some accuracy, future budgets are indicative and may be carried forward from year to year.

The current capital plan is shown in detail in Appendix D(c). The table below summarises the capital plans and shows how it is funded.

<b>Capital plan spending</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Programmes	4,283	10,307	533	520	700	-
Projects	2,451	1,161	36	31	36	-
<b>Sub-total</b>	<b>6,734</b>	<b>11,468</b>	<b>569</b>	<b>551</b>	<b>736</b>	<b>-</b>
Provisions	12,909	10,041	472	989	100	-
<b>Total Spend</b>	<b>19,643</b>	<b>21,509</b>	<b>1,041</b>	<b>1,540</b>	<b>836</b>	<b>-</b>
<b>Capital plan funding</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>External support</b>						
Developer contributions	(6,334)	(2,745)	(146)	(123)	(121)	-
Other sources	(7,081)	(3,138)	(50)	(50)	(50)	-
Prudential Borrowing	-	(2,804)	-	-	-	-
Supplementary Credit Approvals (SCA)	-	-	-	-	-	-
<b>Total - External support</b>	<b>(13,415)</b>	<b>(8,687)</b>	<b>(196)</b>	<b>(173)</b>	<b>(171)</b>	<b>-</b>
<b>City Council</b>						
Developer contributions	-	-	-	-	-	-
Direct Revenue Financing (DRF) - GF services	(18)	-	-	-	-	-
Direct Revenue Financing (DRF) - Use of reserves	(2,081)	(9,079)	(250)	(250)	(250)	-
Earmarked reserve - Capital contributions	(115)	(220)	(208)	(208)	(400)	-
Earmarked reserve - Repair & Renewals Fund	(2,512)	(1,421)	(15)	(20)	(15)	-
Earmarked reserve - Technology Investment Fund	(11)	-	-	-	-	-
HRA capital balances	-	-	-	-	-	-
Internal borrowing - Temporary use of balances	(1,202)	(739)	(327)	(889)	-	-
Usable capital receipts	(289)	(1,363)	(45)	-	-	-
<b>Total - City Council</b>	<b>(6,228)</b>	<b>(12,822)</b>	<b>(845)</b>	<b>(1,367)</b>	<b>(665)</b>	<b>-</b>
<b>Total funding</b>	<b>(19,643)</b>	<b>(21,509)</b>	<b>(1,041)</b>	<b>(1,540)</b>	<b>(836)</b>	<b>-</b>

# Projects Under Development (PUD) and on Hold

The Council maintains two lists of projects which may become capital proposals in due course. The Hold list contains projects that have been approved in principle but are awaiting funding. The current Hold list is shown in Appendix D(e). A new list, the Projects Under Development (PUD) list (Appendix D(d), has been set up following Phase 1 of the capital plan review. It lists projects which the council is still committed to funding, but which require further feasibility work and outline project planning before they are in a fit state to be included on the capital plan. Schemes will be considered for funding when a business case has been fully developed and costed.

# Section 8

## Risks and reserves

### Risks and their mitigation

#### **Risks and sensitivities**

The Council is exposed to a number of risks and uncertainties which could affect its financial position and the deliverability of the proposed budget. These risks include:-

- Savings plans may not be deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- Funding from central government may fall below projections;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- Increases in Council Tax and Business rates receipts due to local growth may not meet expectations;
- The economic recovery may slow or reverse, impacting some of the Council's incomes streams such as car parking income, commercial rents and planning fee income;
- New legislation or changes to existing legislation may have budgetary impacts; and
- Unforeseen capital expenditure, such as major repairs to offices and commercial properties, may be required.

The budget process addresses these risks by applying principles of prudence and sustainability throughout. The sensitivity of the budget to estimates and assumptions has been assessed and is presented in Appendix C.

#### **Equality Impact Assessment**

As a key element of considering the changes proposed in this BSR, an Equality Impact Assessment has been undertaken covering all of the Budget 2014/15 proposals. This is included in this report at Appendix F. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show that they have treated everyone fairly and without discrimination.

## Section 25 Report

Section 25 (s. 25) of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) must report to the authority, when it is making the statutory calculations required to determine its Council Tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations, and
- The adequacy of the proposed levels of financial reserves.

This includes reporting and taking into account:

- the key assumptions in the proposed budget and to give a view on the robustness of those assumptions
- the key risk areas in the budget and to assess the adequacy of the council's reserves when reviewing the potential financial impact of these risk areas on the finances of the council
- this should be accompanied by a reserves strategy
- this report has to be considered and approved by full council as part of the budget approval and council tax setting process.

The majority of the material required to meet the requirements of the Act has been built into the key reports prepared throughout the corporate budget cycle, in particular:

- MFR 2014
- The budget reports to the January cycle of meetings and Portfolio Plans which are being prepared for submission as part of the March 2015 cycle.

This reflects the fact that the requirements of the Act incorporate issues that the Council has, for many years, adopted as key principles in its financial strategy and planning; and which have therefore been incorporated in the key elements of the corporate decision-making cycle.

This also reflects the work in terms of risk assessment and management that is built into all of the key aspects of the Council's work.

The Section 25 report will be included as Section 10 in the version of the BSR to be submitted to Council.

# General reserves

GF reserves are held as a buffer against crystallising risks, and to deal with timing issues and uneven cashflows. As such, the level of reserves required is dependent on the financial risks facing the council, which will vary over time. The prudent minimum balance (PMB) and target level of GF reserves were reviewed and amended in the MFR.

This BSR contains proposals arising from review of specific and earmarked reserves (Section 4) and the capital plan (Section 7). The recommendations reduce the level of these reserves by £12m, thereby reducing the funding set aside principally for future capital spending. Furthermore, it is suggested that funding allocated to capital schemes that are not yet fully developed is returned to general reserves. These schemes will be required to re-bid for funding in the future, in competition with new schemes for a reduced capital funding pot. Whilst this enables the Council to use these funds to generate income to support service delivery, it also increases the risk that essential capital works will not be able to be funded.

Therefore it is proposed to increase the PMB by £1m, equivalent to the annual increase in Direct Revenue Funding (DRF) proposed to replace the use of R&R funds. This will then be available as an emergency source of capital funding, should it not be possible to rephase approved spend to accommodate urgent works. The increased target level of general fund reserves is recommended, given the decrease in levels of earmarked and specific reserves, and the likely need to fund future commitments which cannot at this stage be forecast in sufficient detail to list as firm commitments.

<b>General Fund reserves</b>	<b>£m</b>
<b>September 2014 MFR</b>	
- Target level – to be achieved by 2017/18	5.28
- Minimum level	4.40
<b>February 2015 BSR – Recommended levels</b>	
- Target level (PMB+20%)	6.48
- PMB	5.40

The projected levels of reserves for the budget setting period, based on the proposals included in this report, and assuming that all net savings requirements are delivered, are as follows:-

<b>Description</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>Balance as at 1 April (b/fwd)</b>	<b>(9,176)</b>	<b>(7,424)</b>	<b>(7,818)</b>	<b>(9,025)</b>	<b>(9,230)</b>	<b>(9,484)</b>
Contribution (to) / from reserves	1,752	(394)	(1,207)	(205)	(254)	(256)
<b>Balance as at 31 March (c/fwd)</b>	<b>(7,424)</b>	<b>(7,818)</b>	<b>(9,025)</b>	<b>(9,230)</b>	<b>(9,484)</b>	<b>(9,740)</b>

# Section 9

## Future strategy and recommendations

### Future issues and prospects

The estimates and assumptions underlying the projections in this report will be reviewed for the September 2015 MFR. This will also provide an opportunity to identify and consider the implications of new or developing issues and projects.

Key areas are currently anticipated to include:

- **Growth Agenda** - The Council is continuing to work with partner organisations to plan and bring forward key elements of the Growth Agenda. This report heralds a fundamental change in the way growth will be addressed in the financial sense. Growth has become an ever-present feature, so planning, delivering and funding services to a growing city should be considered as core business, not separate and additional. Therefore, sums are no longer being earmarked to cover the future costs of growth – these will be included within core funding considerations. As a result, work is being done to identify growth impacts to allow financial modelling of these.
- **New Capital Receipts** - the Council has a number of asset holdings which may be the subject of disposals over the next few years, as outlined in Section 7. This is an area which continues to be closely monitored given the volatility of asset values and market interest as a consequence of the economic downturn. The Council has adopted a policy of not treating capital receipts as funding available for new spending until they have actually been received
- **Business rates retention** – The Council will continue to carefully monitor the impact of the retention of business rates and the implications for long-term planning. In particular, the potential advantages of being part of a local Pool for the purposes of the Business Rates Retention scheme will be reviewed in conjunction with potential partners for future years.



- **Spending Review** - the current Spending Round period finishes at the end of 2015/16. It is anticipated that the next Spending Review will continue to reflect increased financial pressures on local government.
- **Review of reserves and the capital plan** – the impact of these reviews will be monitored and assessed, and any implications addressed in the MFR, or through changes to processes and procedures, as appropriate.
- **Welfare Reform** - Government's plans to reform the country's system of welfare payments have considerable implications for the Council and for the work of this service area. There are a number of potential implications for the Council, beyond those already implemented, such as the removal of spare bedroom subsidy and the benefit cap. These include the formation of a Single Fraud Investigation Service and the Introduction of Universal Credit.

# Future Savings Strategy

## Approach to future years' savings

The Leader and Executive Councillor for Finance and Resources have written a foreword to this BSR, outlining the opportunities and challenges for the Council. It references a number of initiatives from the Business Transformation Programme including shared services, and a review of back office support services. These are amongst the first initiatives to be identified and planned by the programme, and are currently being delivered. Overall a pipeline of projects is being created, within the following four themes, which were described in more detail in MFR 2014:

- protecting core services that residents need and value and ensuring fairness
- transforming how we deliver services, working with our committed staff team and other partners
- targeting scarce resources to help people who need help and to meet the needs of most vulnerable
- making best use of all our assets, reinvesting all available Council resources to maximise financial return and benefits for city residents, and make existing assets work harder too

The need to make savings, control increasing costs and generate income underpins the programme, with benefits realisation being key to its success. To this end, a system of governance, with regular reporting on progress and outcomes, has been put in place. The importance of this programme to the future financial sustainability of the Council cannot be over-emphasised. Its successful delivery will be crucial.

However, the business transformation programme will not be sufficient on its own. The Council has a good record of financial management, identifying and delivering savings and improvements in value for money. This must be maintained, with Services encouraged to innovate and implement commercial practices where possible and consistent with the Council's objectives.

## **Conclusions**

The review of key factors undertaken and presented in this report outlines an approach for finalising the budget for 2015/16. The Council's adoption of long-term budget modelling and prudent financial strategies has been instrumental in enabling it to meet the recent significant financial challenges, not least from the economic downturn and reductions in Government grant support, with the least adverse impact on service provision.

The proposals set out in the report deliver a balanced budget for the 2015/16 financial year, and significant contributions towards the net savings targets in 2016/17 and 2017/18. The proposals are not without risk, as they rely on the successful delivery of a challenging programme of transformational projects. The release of significant amounts of funding from reserves and the capital plan will produce an on-going stream of revenue for the Council, giving a window of opportunity for these projects to be completed. However, this removes a source of future funding, particularly for capital expenditure. In future, capital funding will be scarcer, and projects requiring funding will need to show that they align with Council objectives, are readily deliverable, and provide good value for money.

# Section 10

## Section 25 Report

Section 25 of the Local Government Act 2003 requires the Council's S151 officer to report to the Council when it is considering its budget requirement and consequent council tax. The report must deal with the robustness of the estimates made for the purposes of the calculations and the adequacy of the reserves allowed for in the budget proposals.

The rationale is to ensure that the estimates are sufficient to cover regular recurring costs plus any reasonable risks and uncertainties and, in the event of unexpected expenditure, there are adequate reserves to draw on. The calculations relate to the budget for the forthcoming year and the legal requirement may, therefore, be interpreted as reporting only on the 2015/16 estimates and reserves up to 31 March 2016.

### **Robustness of estimates**

The Council has well established and robust budget processes. These have been followed when compiling the 2015/16 budget and medium term projections.

Estimates and assumptions were reviewed during the preparation of the MFR in September 2014, and confirmed during the development of this BSR. Appendix C reviews these estimates and assumptions and indicates the sensitivity of each in financial terms.

The key driving factor through the process has been the requirement to identify savings to address projected decreases in core funding. The savings requirement has been addressed through the development of an ambitious transformation programme and the release of significant levels of earmarked reserves.

These two actions require substantial change to be delivered within the organisation to demanding timescales. The transformation programme includes savings resulting from sharing services with other local authorities and the creation of alternative service delivery vehicles. There are, therefore, significant levels of risk around the estimation of potential savings and the timing of their delivery. These risks are mitigated, to a certain extent, by management review and challenge of the proposals, regular budget monitoring and management, and the implementation of governance processes for the transformation programme.

# Section 10

## Section 25 Report

### **Adequacy of reserves**

The requirement for financial reserves is acknowledged in statute. Section 32 of the Local Government Finance Act 1992 requires billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

It is the responsibility of the S151 officer to advise local authorities on the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

The council holds two types of general fund reserves:

- The general fund is a working balance to cushion the impact of uneven cash flows. The reserve also acts as a contingency that can be used in year if there are unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or within the council's control. The reserve also provides cover for grant and income risk.
- Earmarked reserves are set aside for specific and designated purposes or to meet known or predicted liabilities, e.g. insurance claim.

Earmarked reserves remain legally part of the general fund, although they are accounted for separately.

A key mitigation for financial risk is the S151 officer's estimate of a prudent level of reserves. A risk assessment was undertaken in MFR 2014 to determine the level of non-earmarked general reserves required by the Council. The assessment has been updated in Section 8 of this report, with general reserves being increased to provide some mitigation for the decrease in the Repairs and Renewals Fund. In making the recommendation for the level of reserves, the S151 officer has followed guidance in the CIPFA LAAP Bulletin 77 – Guidance notes on Local Authorities Reserves and Balances. The risk analysis shows that a prudent minimum level of reserves for 2015/16 will be of the order of £5.4m.

# Section 10

## Section 25 Report

The final table in Section 8 shows that the anticipated level of the general fund reserves will remain above the prudent minimum level for the duration of the medium term planning period.

**I therefore consider that the estimates for the financial year 2015/16 to be sufficiently robust and the financial reserves up to 31 March 2016 to be adequate.**

**Caroline Ryba**

**Head of Finance and S151 Officer**

# Appendix A (a)

## Calculation of Council Tax Base 2015/16

	Council Tax Bands									
	A entitled to disabled relief reduction	A	B	C	D	E	F	G	H	Total
Dwellings on the valuation list										
Dwellings treated as exempt										
Adjustments for disabled relief (i.e. reduced by one band)	1									
<b>Total chargeable dwellings</b>	<b>1</b>									
Where there is liability to pay 100% council Tax	0									
That are assumed to be subject to a discount or premium	1									
<b>Number of dwelling equivalents after applying discounts and premiums to calculate taxbase</b>	<b>0.75</b>									
Reduction in taxbase as a result of the Family Annex discount	0.00									
Reduction in taxbase as a result of local council tax support	0.75									
<b>Total number of equivalent dwellings after discounts, exemptions, disabled relief and council tax support</b>	<b>0</b>									
Ratio to Band D	5/9									
<b>Band D equivalents</b>	<b>0</b>									
Band D equivalent contributions for Government properties										
<b>Tax base after allowance for Council Tax Support</b>										
	Add	Estimated net growth in tax base								
	Less	Adjustment for student exemptions								
	Less	Assumed loss on collection at 1.3%								
<b>Total Band D Equivalents – Tax base for Council Tax and Precept Setting Purposes</b>										<b>39,946.2</b>

# Appendix A(b)

## Council Tax Setting 2015/16

1. The Council calculated its Council Tax Base 2015/16 for the whole Council area as **39,946.2** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2015/16 is **£7,060,490**
3. That the following amounts be calculated for the year 2014/15 in accordance with Sections 31 to 36 of the Act:

- |     |                   |  |
|-----|-------------------|--|
| (a) | <b>£TBA</b>       | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act  |
| (b) | <b>£TBA</b>       | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act  |
| (c) | <b>£7,060,490</b> | being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act] |
| (d) | <b>£176.75</b>    | being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.   |

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

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2014/15 for each of the categories of dwellings in the Council's area.

<b>Dwelling Band</b>	<b>City Council £</b>	<b>County Council £</b>	<b>Police and Crime Commissioner £</b>	<b>Fire &amp; Rescue Authority £</b>	<b>Aggregate Council Tax £</b>
A	117.83				
B	137.47				
C	157.11				
<b>D</b>	<b>176.75</b>				
E	216.03				
F	255.31				
G	294.58				
H	353.50				

6. The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2015/16 is not excessive.



## 2015/16 Budget - General Fund

Page 1 of 5

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Funding

## Non-Committee Items

CF3672	Direct Revenue Funding of Capital (DRF) - additional	0	1,000,000	1,000,000	1,000,000	1,000,000	Caroline Ryba	Nil
--------	--	---	-----------	-----------	-----------	-----------	---------------	-----

Additional Direct Revenue Funding (DRF) from Repairs and Renewals provided for from the annual R&R contribution reduction. [Linked to NCL3678 & S3677]

<b>Total Capital Funding in Non-Committee Items</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>		
<b>Total Capital Funding</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>		

## 2015/16 Budget - General Fund

Page 2 of 5

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Reduced Income

## City Centre &amp; Public Places

RI3742	Reduced income from Moorings	0	17,000	35,000	35,000	35,000	Alistair Wilson	Nil
--------	------------------------------	---	--------	--------	--------	--------	-----------------	-----

It is proposed to remove the additional moorings income budget from 2015/16, recommended in the 2014/15 budget round (S3408). The proposed saving will now be met from an overachievement at income at current rates together with a growth in the number of mooring licences, which is dependent on a full review of moorings to be held in 2015. [Linked to I13743].

## Total Reduced Income in City Centre &amp; Public Places

0	17,000	35,000	35,000	35,000
---	--------	--------	--------	--------

## Finance &amp; Resources

RI3526	Clay Farm Commercial Units	0	0	80,000	0	0	Dave Prinsep	Nil
--------	----------------------------	---	---	--------	---	---	--------------	-----

The current budget forecast includes income from the planned Clay Farm Commercial Units from 2016/17. The units will not be completed until 2017/18 at the earliest and so the previous planned income will not be receivable until the 2017/18 financial year.

RI3569	Unavoidable loss of rental income at Mill Road Depot	0	37,000	37,000	37,000	0	Althea Mejias	Nil
--------	--	---	--------	--------	--------	---	---------------	-----

Following an assessment by Property Services of the potential for commercial letting at Mill Road Depot, it is unlikely that the budget for 2015/16 will be achieved. Significant lettable areas require some upgrading before they can be occupied and there are only limited other opportunities to create additional external income pending the outcome of the accommodation review and future occupancy of the Mill Road site. In the interim it is proposed that projected rental incomes be reduced to more realistic and achievable levels for the next 3 years.

RI3666	Commercial property portfolio - loss of interest	0	0	52,000	52,000	52,000	Dave Prinsep	Nil
--------	--	---	---	--------	--------	--------	--------------	-----

The proposed investment in the Commercial Property Acquisition Programme will reduce the funds available for investment under our Treasury Management strategy resulting in a loss of interest on the amount invested. [Linked to proposals C3664, I13665 and NCL3691].

## Total Reduced Income in Finance &amp; Resources

0	37,000	169,000	89,000	52,000
---	--------	---------	--------	--------

## Total Reduced Income

0	54,000	204,000	124,000	87,000
---	--------	---------	---------	--------

## 2015/16 Budget - General Fund

Page 3 of 5

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Unavoidable Revenue Pressure

## City Centre &amp; Public Places

URP3714	Improvement works on Open Spaces	0	50,000	50,000	0	0	Alistair Wilson	Nil
---------	----------------------------------	---	--------	--------	---	---	-----------------	-----

To commit 50% of the ground rent accruing from the University Arms redevelopment, various revenue projects are proposed to improve all open spaces, focussing on improvements for cyclists, including cycle parking, to the cricket and other sports pitches, new fencing, seats and signage. Other improvements will come forward during the two years of expenditure to ensure that the funds available in this proposal are used to improve the green space infrastructure on the city's open spaces

## Total Unavoidable Revenue Pressure in City Centre &amp; Public Places

0	50,000	50,000	0	0
---	--------	--------	---	---

## Community, Arts &amp; Recreation

URP3571	Clay Farm Multi-Use Centre Leasehold Management Company - Revenue Subsidy	0	50,000	120,000	120,000	120,000	Debbie Kaye	Nil
---------	---	---	--------	---------	---------	---------	-------------	-----

A Leasehold Management Company has been set up between the City and County Councils to manage the facility. Costings indicate that there will be a net shortfall of around £200k p/a which will need to met by the 2 Authorities. This shortfall will be split 60% City and 40% County Council which is the same proportion as the asset value of the Building held by each Authority.

URP3682	Arts Trust - Head of Service savings already in budget	0	84,000	84,000	84,000	84,000	Debbie Kaye	Nil
---------	--	---	--------	--------	--------	--------	-------------	-----

Head of Service savings already in budget from 2012/13 and now included within the business case for the Arts Trust so this adjustment is to prevent double counting of the savings. [Linked to PROG3681].

## Total Unavoidable Revenue Pressure in Community, Arts &amp; Recreation

0	134,000	204,000	204,000	204,000
---	---------	---------	---------	---------

## Environment, Waste &amp; Public Health

URP3565	North West Cambridge Collection vehicles running costs	0	0	75,000	95,000	95,000	Michael Parsons	+M
---------	--	---	---	--------	--------	--------	-----------------	----

To provide the revenue budget for collecting from Underground Bins in the North West Cambridge university site. Any additional spend over and above that of a standard collection will be met by the University in line with the section 106 agreement with them. Collections will be undertaken by the City Council for all properties on this site and a formula has been devised to ensure that any costs incurred for collections outside the boundary will be recovered from South Cambs DC. If there are available funds from Council Tax for Growth these would be used to finance this spend.

URP3741	Materials Recycling Facility (MRF) gate fee versus income	0	124,000	124,000	124,000	124,000	Jen Robertson	Nil
---------	---	---	---------	---------	---------	---------	---------------	-----

## 2015/16 Budget - General Fund

Page 4 of 5

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Unavoidable Revenue Pressure

The MRF contract is based on a gate fee plus a 50% share of the income from the sale of the recyclables. Analysis of the financial position took place in February and indicated a positive net income to the RECAP authorities. However, prices for recyclate have dropped (linked to global market downturns) resulting in a net cost to the authority. If the current position on material prices remains the same for the next financial year the net position to the authority is predicted to be £124,000. However, the MRF provider is investing in further sorting equipment to sort plastic recycling into the different polymer types and therefore achieve a high value for the materials.

### Total Unavoidable Revenue Pressure in Environment, Waste & Public Health

0	124,000	199,000	219,000	219,000
---	---------	---------	---------	---------

### Housing

<b>URP3530</b>	<b>Extra staff to deliver new affordable housing</b>	0	76,900	76,900	76,900	76,900	Alan Carter	Nil
----------------	--	---	--------	--------	--------	--------	-------------	-----

The increase in investment in new build housing in the HRA necessitates an increase in staffing input, both in the form of development team staff and consultancy, to ensure smooth project management and delivery of new build schemes. This bid includes funding for an additional Trainee Development Officer (£28,400), consultancy support (£30,000) and a contribution towards a shared post with South Cambridgeshire District Council (£18,200), and will be fully offset by a compensating savings proposal, which recognises that this expenditure will be met from the fees charged to new build schemes. [Linked to I13531]

### Total Unavoidable Revenue Pressure in Housing

0	76,900	76,900	76,900	76,900
---	--------	--------	--------	--------

### Non-Committee Items

<b>URP3612</b>	<b>Electricity Contract price increase</b>	0	61,230	61,230	61,230	61,230	John Harvey	Nil
----------------	--	---	--------	--------	--------	--------	-------------	-----

Electricity Contract increases at 13% compared to budgeted increase of 2%.

This is partially due to the council's desire to retain a Green Tariff. It will be reviewed in future in light of potentially falling energy prices.

<b>URP3613</b>	<b>Pay Award NJC</b>	0	80,000	80,000	80,000	80,000	John Harvey	Nil
----------------	----------------------	---	--------	--------	--------	--------	-------------	-----

Agreement has now been reached on the national pay award for local government employees on City Pay Bands 1 to 9. Staff on higher grades are subject to separate negotiations. The pay award has two main elements:

Revised Pay Scales reflecting the pay award which is equivalent to 2.20% on most bands (SCP 11 and above), 2.55% on SCP 9, 2.32% on SCP 10. The award is with effect from 1 January 2015 and covers the two year period 1 January 2015 to 31 March 2016.

Non-consolidated payments will be paid in December 2014 for SCPs 5-54 and in April 2015 for SCPs 26-54 only.

Budget assumptions were 1% for each of 2014/15 and 2015/16 so this is the additional cost to the General Fund of the award.

## 2015/16 Budget - General Fund

Page 5 of 5

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Unavoidable Revenue Pressure

URP3669	Contingency Budget	0	100,000	75,000	50,000	0	Caroline Ryba	Nil
---------	--------------------	---	---------	--------	--------	---	------------------	-----

Following the review of Earmarked Reserves spending that would have been funded from these reserves will require budget proposals in future. This contingency is to provide a safety net while the new processes become embedded.

URP3674	Pension Fund Contributions	0	0	0	440,000	910,000	Caroline Ryba	Nil
---------	----------------------------	---	---	---	---------	---------	------------------	-----

Provision for one-off pension fund contributions (anticipated in the next triennial valuation). For further details see main text of Budget Setting Report "Section 5 - General Fund Revenue Budgets" [Linked to NCL3712 HRA element]

<b>Total Unavoidable Revenue Pressure in Non-Committee Items</b>	<b>0</b>	<b>241,230</b>	<b>216,230</b>	<b>631,230</b>	<b>1,051,230</b>			
<b>Total Unavoidable Revenue Pressure</b>	<b>0</b>	<b>626,130</b>	<b>746,130</b>	<b>1,131,130</b>	<b>1,551,130</b>			
<b>Report Total</b>	<b>0</b>	<b>1,680,130</b>	<b>1,950,130</b>	<b>2,255,130</b>	<b>2,638,130</b>			

## 2015/16 Budget - General Fund

Page 1 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Increased Income

## City Centre &amp; Public Places

113713	Ground rent re University Arms redevelopment	0	(100,000)	(75,000)	0	0	Alistair Wilson	Nil
--------	--	---	-----------	----------	---	---	-----------------	-----

Ground rent received from the lease of part of Parkers Piece to facilitate the renovation of University Arms Hotel. The total income of £200,000 has been assumed to run from January 2015 to December 2016. It is anticipated that £25,000 will be received in 2014/15, £100,000 in 2015/16 and £75,000 in 2016/17. One half of this income will be spent on improvements to Parker's Piece and other open spaces in the city during 2015/16 and 2016/17 (see URP3714).

113743	New moorings income	0	(17,000)	(35,000)	(35,000)	(35,000)	Alistair Wilson	Nil
--------	---------------------	---	----------	----------	----------	----------	-----------------	-----

This budget proposal is to reflect the current income budget being understated and can also be considered in the context of the forecast income from the review of pricing (Summer 2015), with any subsequent changes to fees and charges, being made during 2015, for effect April 2016. [Linked to R13742]

<b>Total Increased Income in City Centre &amp; Public Places</b>	<b>0</b>	<b>(117,000)</b>	<b>(110,000)</b>	<b>(35,000)</b>	<b>(35,000)</b>			
--	----------	------------------	------------------	-----------------	-----------------	--	--	--

## Environment, Waste &amp; Public Health

113707	Harmonisation of the Commercial Waste Service's tariff structures.	0	(80,000)	(80,000)	(80,000)	(80,000)	Jen Robertson	Nil
--------	--	---	----------	----------	----------	----------	---------------	-----

The Commercial Waste Service plans to increase two of its six tariff ranges in April 2015. The CWS is the market leader in Cambridge for commercial waste collection and it is important to retain that share whilst levelling our tariff structure and responding to increases in disposal charges. If we do this we predict further growth in the fast expanding commingled recycling market.

<b>Total Increased Income in Environment, Waste &amp; Public Health</b>	<b>0</b>	<b>(80,000)</b>	<b>(80,000)</b>	<b>(80,000)</b>	<b>(80,000)</b>			
---	----------	-----------------	-----------------	-----------------	-----------------	--	--	--

## Finance &amp; Resources

113527	Forecast additional net income reflecting expected rent reviews, lease renewals and lettings from existing portfolio	0	(30,000)	(30,000)	(30,000)	(30,000)	Dave Prinsep	Nil
--------	--	---	----------	----------	----------	----------	--------------	-----

Net increase in income expected reflecting rent reviews, lease renewals and lettings likely in next financial year on the existing property portfolio. Increase reflects the additional income above the inflationary increase.

## 2015/16 Budget - General Fund

Page 2 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Increased Income

113548	<b>Renewable Heat Incentive (RHI) Payments for the solar thermal system at Abbey Pools</b>	0	(6,000)	(6,000)	(6,000)	(6,000)	David Kidston	Nil
--------	--	---	---------	---------	---------	---------	---------------	-----

In 2013/14 two solar thermal units were installed at Abbey Pools to provide a sustainable source of energy to heat water at the pools. Under the Government's Renewable Heat Incentive (RHI), the Council receives an income for every kWh of heat generated by the two systems.

113663	<b>One off increase in DWP Housing Benefits and DCLG Council Tax Support Administration Subsidy grants</b>	0	(120,090)	0	0	0	Alison Cole	Nil
--------	--	---	-----------	---	---	---	-------------	-----

The provisional DWP Housing Benefits and DCLG Council Tax Support Administration Subsidy Grants for financial year 2015/16 are £120,090 higher than forecast.

113665	<b>Income from Commercial Property Acquisition Programme</b>	0	0	(400,000)	(400,000)	(400,000)	Dave Prinsep	Nil
--------	--	---	---	-----------	-----------	-----------	--------------	-----

This programme will allow the council to purchase additional commercial properties to bring in more income to support frontline services.

Anticipated additional income following the investment in property to refocus the Council's commercial property portfolio, funded from reserves. [Linked to proposals C3664, R13666 and NCL3691].

113673	<b>Increase in investment Income</b>	0	(250,000)	(250,000)	(250,000)	(250,000)	Stephen Bevis	Nil
--------	--------------------------------------	---	-----------	-----------	-----------	-----------	---------------	-----

Increase in investment income anticipated from placing £10m in CCLA Property Fund. This is the projected impact on General Fund (the HRA also receiving a benefit) based on an expectation of approximately 4.5% return compared to current average returns around 0.65%.

<b>Total Increased Income in Finance &amp; Resources</b>	<b>0</b>	<b>(406,090)</b>	<b>(686,000)</b>	<b>(686,000)</b>	<b>(686,000)</b>			
--	----------	------------------	------------------	------------------	------------------	--	--	--

## Housing

113531	<b>Increased fee income generated by staff delivering new affordable housing</b>	0	(76,900)	(76,900)	(76,900)	(76,900)	Alan Carter	Nil
--------	--	---	----------	----------	----------	----------	-------------	-----

An increased level of investment in development of HRA new build housing, will require greater staffing input, which forms the basis of a bid for additional capacity. The additional cost will be fully offset by the ability to capitalise the costs, as project management fees for the build works, generating a revenue income stream. [Linked to URP3530].

## 2015/16 Budget - General Fund

Page 3 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Increased Income

113532	Increased fee income generated by staff delivering new affordable housing	0	(20,000)	(20,000)	(20,000)	(20,000)	Alan Carter	Nil
--------	---	---	----------	----------	----------	----------	-------------	-----

An increased level of investment in the development of new build housing in the Housing Revenue Account, will enable a greater proportion of the existing staff team in the Housing Development Service to be capitalised (generating a revenue income) as project management fees for the build works.

## Total Increased Income in Housing

0	(96,900)	(96,900)	(96,900)	(96,900)
---	----------	----------	----------	----------

## Planning Policy &amp; Transport

113708	Increase in Parking income	0	(200,000)	(200,000)	(200,000)	(200,000)	Paul Necus	Nil
--------	----------------------------	---	-----------	-----------	-----------	-----------	------------	-----

Anticipated additional income in 2015/16 from increased usage of car parks, based on current trend information. This proposal is in addition to the assumed income generated by the review of charges and as projected in the Mid-Year Financial Review (MFR) 2014.

## Total Increased Income in Planning Policy &amp; Transport

0	(200,000)	(200,000)	(200,000)	(200,000)
---	-----------	-----------	-----------	-----------

## Total Increased Income

0	(899,990)	(1,172,900)	(1,097,900)	(1,097,900)
---	-----------	-------------	-------------	-------------



## 2015/16 Budget - General Fund

Page 4 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Programme

### Non-Committee Items

PROG3718	<b>Building Cleaning Contract Savings</b>	0	(225,000)	(300,000)	(300,000)	(300,000)	Joel Carre	Nil
----------	---	---	-----------	-----------	-----------	-----------	------------	-----

*Building Cleaning Contract Savings anticipated.*

<b>Total Programme in Non-Committee Items</b>		<b>0</b>	<b>(225,000)</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>(300,000)</b>		
---	--	----------	------------------	------------------	------------------	------------------	--	--

### Strategy & Transformation

PROG3558	<b>Savings resulting from the introduction of a self-service telephony and electronic enquiry services</b>	0	(50,000)	(50,000)	(50,000)	(50,000)	Clarissa Norman	Nil
----------	--	---	----------	----------	----------	----------	-----------------	-----

*A self-service telephony and electronic enquiry services solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the Customer Service Centre and speaking to an advisor. The proposal will release skilled advisors from simple, repetitive calls leading to cashable savings, improved productivity and processing times and increase capacity to deal with the more complex urgent enquiries.*

PROG3561	<b>Savings resulting from the introduction of a self-service voice activated switchboard</b>	0	(15,000)	(15,000)	(15,000)	(15,000)	Clarissa Norman	Nil
----------	--	---	----------	----------	----------	----------	-----------------	-----

*A self-service switchboard solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the switchboard. This will be quicker and more seamless than the current system. The proposal will also release capacity and staff savings in the contact centre and improve call duration times.*

PROG3616	<b>Sustainable Tourism Model- Destination Management Organisation</b>	0	40,000	0	0	0	Emma Thornton	Nil
----------	---	---	--------	---	---	---	---------------	-----

*This proposal is for the estimated set up costs associated with setting up a Destination Management Organisation (DMO) for the future delivery of tourism for Cambridge and the surrounding area. It includes IT (£20K), Property issues (£5K), Corporate ID and branding (£5K), possible VAT issues (£5k) and legal costs (£5k). [Linked to PROG3617]*

PROG3617	<b>Sustainable Tourism Model- Destination Management Organisation</b>	0	49,800	(5,090)	(17,390)	(17,390)	Emma Thornton	Nil
----------	---	---	--------	---------	----------	----------	---------------	-----

## 2015/16 Budget - General Fund

Page 5 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Programme

This proposal supports the development of a Destination Management Organisation (DMO), which is a business led partnership model for the future delivery of tourism for Cambridge and the surrounding area. This move provides the opportunity to increase investment in tourism, safeguarding the visitor economy as a key economic driver for the city and the surrounding area and to reduce the cost to the City Council. The target launch for the DMO would be January 2016. This proposal excludes the savings which will be delivered as a result of the DMO project, through the Support Services Review so the overall saving from the DMO will be significantly higher. [Linked to PROG3616]

<b>PROG3681</b>	<b>Transfer of arts and recreation provision to a charitable trust (Cambridge Live)</b>	0	112,000	48,000	55,000	(15,000)	Debbie Kaye	Nil
-----------------	---	---	---------	--------	--------	----------	-------------	-----

Net revenue cost / (saving) arising from the creation of the Arts Trust (Cambridge Live). The creation of the trust model will allow the council to review over £625,000 of central costs in the Support Services Review as part of the business transformation programme and will also maintain this cultural offer in the city. Substantial central cost savings will arise as a result although direct service delivery savings of some £50,000 per annum are anticipated from Year 5. [Linked to URP3682].

<b>PROG3686</b>	<b>Support Services Review</b>	0	(103,000)	(368,000)	(526,000)	(600,000)	Ray Ward	Nil
-----------------	--------------------------------	---	-----------	-----------	-----------	-----------	----------	-----

As the Council moves to other ways of delivering services and our own support service needs reduce, the Council needs to review its support service functions and reduce our costs relating to property, people, technology and other supplies and services. We are undertaking a phased approach to this project as we are at the early stages of developing and implementing alternative service delivery models.

Phase 1 of this project will focus on reducing costs from ICT and transactional finance activity; Phase 2 will focus on removing costs from business support activity and other support functions and Phase 3 will review all remaining areas particularly those required to initially support the Transformation Programme. [Linked to PROG3661, PROG3662, PROG3746]

<b>PROG3687</b>	<b>ICT Shared Service</b>	0	(75,000)	(113,000)	(150,000)	(188,000)	Ray Ward	Nil
-----------------	---------------------------	---	----------	-----------	-----------	-----------	----------	-----

The shared ICT service with South Cambridgeshire District Council and Huntingdonshire District Council will produce savings by reviewing management arrangements; delivering a package of IT standardisation and reducing external expenditure. This proposal represents the General Fund element of the total saving. [Linked to PROG3709 - HRA element of saving.]

<b>PROG3688</b>	<b>Legal Shared Service</b>	0	(23,000)	(23,000)	(23,000)	(23,000)	Ray Ward	Nil
-----------------	-----------------------------	---	----------	----------	----------	----------	----------	-----

The shared Legal service with South Cambridgeshire District Council and Huntingdonshire District Council will produce savings through a number of measures including reviewing the current legal personnel structure, ensuring that we assign activity more efficiently; reviewing our use of external legal advice in light of the expertise and capacity that exists across the shared service and reviewing the current legal support administrative arrangements, bringing together the systems and processes of all three councils into one consistent approach. This proposal represents the General Fund element of the total saving. [Linked to PROG3710 - HRA element of saving.]

<b>PROG3746</b>	<b>Programme Office and Central Support Services</b>			435,000	383,000	100,000	Ray Ward	?
-----------------	--	--	--	---------	---------	---------	----------	---

## 2015/16 Budget - General Fund

Page 6 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Programme

Programme Office and Central Support Services costs arising as a result of the transformation programme. These are the costs of delivering the projects that have been identified within the Business Transformation Programme. This is made up of delivery cost (such as the additional costs of financial, HR, legal and business analysis support) and the costs of change within specific projects such as the Support Services Review. [Linked to PROG 3661, PROG3662, PROG 3686]

<b>PROG3747</b>	<b>Shared Planning Service</b>	0	0	(50,000)	(50,000)	(50,000)	Patsy Dell	Nil
-----------------	--------------------------------	---	---	----------	----------	----------	------------	-----

Development of a shared Planning Service with South Cambridgeshire District Council and Huntingdonshire DC will enable efficiency and effectiveness in service delivery and savings in management and service delivery to be realised

<b>PROG3748</b>	<b>Shared Building Control New Model</b>	0	(50,000)	(50,000)	(50,000)	(50,000)	Patsy Dell	Nil
-----------------	--	---	----------	----------	----------	----------	------------	-----

The Building Control Service will be part of the shared service transformation programme. Savings have been identified in 2015/16 ahead of full development of the new model of service delivery. These savings are exclusive of corporate overheads and repair and renewal fund savings being addressed elsewhere in the budget process. Further savings are anticipated once the new model of service delivery has been implemented but these require further work and approval of the new model before they can be confirmed.

<b>Total Programme in Strategy &amp; Transformation</b>		0	199,800	(191,090)	(443,390)	(908,390)		
---	--	---	---------	-----------	-----------	-----------	--	--

<b>Total Programme</b>		0	(25,200)	(491,090)	(743,390)	(1,208,390)		
------------------------	--	---	----------	-----------	-----------	-------------	--	--

## 2015/16 Budget - General Fund

Page 7 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

## Community, Arts &amp; Recreation

<b>S3576</b>	<b>Management of Area Committee Grants within the in-house Grants Team</b>	0	(6,000)	(6,000)	(6,000)	(6,000)	Debbie Kaye	Nil
--------------	--	---	---------	---------	---------	---------	-------------	-----

The area committee grants process has been brought back in-house and simplified so it can be managed within existing staff resources. This means we can save the management fee we used to pay to Cambridgeshire Community Foundation.

<b>S3577</b>	<b>Removal of Community Development Officer support at Area Committees</b>	0	(3,000)	(3,000)	(3,000)	(3,000)	Debbie Kaye	Nil
--------------	--	---	---------	---------	---------	---------	-------------	-----

The meet and greet and general advice giving role at area committees is now carried out by the Head of Service lead for each committee which means we no longer have to fund additional hours for Community Development Workers.

<b>S3578</b>	<b>Neighbourhood Community Projects (NCP) Review - Cash Limiting Budget</b>	0	(1,500)	(1,500)	(1,500)	(1,500)	Debbie Kaye	Nil
--------------	---	---	---------	---------	---------	---------	-------------	-----

Outcome of the NCP Review was to protect the budgets for the 3 projects for 2015/16 but to not increase them by inflation.

<b>S3579</b>	<b>Community Engagement - Rationalisation of project budgets</b>	0	(5,000)	(5,000)	(5,000)	(5,000)	Debbie Kaye	Nil
--------------	--	---	---------	---------	---------	---------	-------------	-----

Following the Community Development Service restructure, we have been able to rationalise and reduce the existing project budgets for community engagement.

<b>Total Savings in Community, Arts &amp; Recreation</b>	<b>0</b>	<b>(15,500)</b>	<b>(15,500)</b>	<b>(15,500)</b>	<b>(15,500)</b>			
--	----------	-----------------	-----------------	-----------------	-----------------	--	--	--

## Finance &amp; Resources

<b>S3524</b>	<b>Legal Services. Saving on books and publications through joint purchasing arrangement</b>	0	(5,000)	(5,000)	(5,000)	(5,000)	Simon Pugh	Nil
--------------	--	---	---------	---------	---------	---------	------------	-----

Saving through consortium purchasing arrangements of legal reference sources set up by Public Law Partnership, of which the City Council's legal service is a member.

<b>S3525</b>	<b>Legal Services: Deletion of unfilled post (0.4 fte)</b>	0	(20,000)	(20,000)	(20,000)	(20,000)	Simon Pugh	Nil
--------------	--	---	----------	----------	----------	----------	------------	-----

## 2015/16 Budget - General Fund

Page 8 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

The post-holder left the Council in February 2014. We believe we can absorb the work within existing resources.

<b>S3543</b>	<b>Revenues and Benefits supplies and services efficiency savings</b>	0	(19,000)	(19,000)	(19,000)	(19,000)	Alison Cole	Nil
--------------	---	---	----------	----------	----------	----------	-------------	-----

Reduced supplies and services costs following efficiency review

<b>S3549</b>	<b>Intranet Technical Support</b>	0	(3,000)	(3,000)	(3,000)	(3,000)	James Nightingale	Nil
--------------	-----------------------------------	---	---------	---------	---------	---------	-------------------	-----

The move to a content management system for Intranet has reduced the requirement for technical support from Northgate, allowing a small saving.

<b>S3550</b>	<b>Reduce IT consultancy spend</b>	0	(20,000)	(20,000)	(20,000)	(20,000)	James Nightingale	Nil
--------------	------------------------------------	---	----------	----------	----------	----------	-------------------	-----

ICT retains a small consultancy budget, which funds investigations into new ICT requirements and solutions, with the potential to unlock greater savings elsewhere in the Council. It has been difficult to manage sufficient projects to fully utilise this, and so it is proposed to release some as a saving.

<b>S3553</b>	<b>Delete sustainable city projects budget</b>	0	(4,080)	(4,080)	(4,080)	(4,080)	David Kidston	Nil
--------------	--	---	---------	---------	---------	---------	---------------	-----

This budget line was created to provide a projects budget for the sustainability officer to carry out promotional and other work. The sustainability officer post changed over time and the previous promotional work largely ceased. The post was deleted earlier this year, and there is therefore no continuing need for this projects budget.

<b>S3627</b>	<b>Savings from reduced costs for Head of Internal Audit</b>	0	(2,500)	(2,500)	(2,500)	(2,500)	Bridget Bishop	Nil
--------------	--	---	---------	---------	---------	---------	----------------	-----

Slight reduction in costs of Head of Internal Audit following South Cambs District Council joining shared arrangements in July 2013.

<b>S3645</b>	<b>Printing Budget Reduction</b>	0	(30,000)	(30,000)	(30,000)	(30,000)	James Nightingale	+L
--------------	----------------------------------	---	----------	----------	----------	----------	-------------------	----

Reduce the amount spent on printing, and colour printing in particular.

<b>S3647</b>	<b>Legal Services: Additional saving on staff costs</b>	0	(11,420)	(11,420)	(11,420)	(11,420)	Simon Pugh	Nil
--------------	---	---	----------	----------	----------	----------	------------	-----

The salary budget makes allowance for incremental progression. As most Legal Services' employees have reached the top of their grade there is only a limited need to allow for this. The saving represents the surplus element.

## 2015/16 Budget - General Fund

Page 9 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

## Total Savings in Finance &amp; Resources

0	(115,000)	(115,000)	(115,000)	(115,000)
---	-----------	-----------	-----------	-----------

## Housing

<b>S3534</b>	<b>Saving in Home Improvement Grants IT Systems</b>	0	(2,200)	(2,200)	(2,200)	(2,200)	Helen Reed	Nil
--------------	---	---	---------	---------	---------	---------	------------	-----

The move to working as part of a shared Home Improvement Agency with South Cambridgeshire and Huntingdonshire District Councils means that licences for the IT system previously deployed by Cambridge City Council are no longer required.

<b>S3535</b>	<b>Reduced expenditure on emergency Bed and Breakfast provision</b>	0	(56,800)	(56,800)	(56,800)	(56,800)	David Greening	Nil
--------------	---	---	----------	----------	----------	----------	----------------	-----

A reduction in homelessness costs is possible due predominantly to lower bed and breakfast expenditure resulting from the introduction of more emergency accommodation, provided by both Cambridge City directly and by working in partnership with other local authorities. Expansion of our own emergency accommodation provision means that there is lower usage of bed and breakfast, both in terms of numbers and length of stay. Local households are also less frequently placed outside of the city, minimising disruption to their lives.

<b>S3536</b>	<b>Cessation of inserts into Flack magazine</b>	0	(2,820)	(2,820)	(2,820)	(2,820)	David Greening	Nil
--------------	---	---	---------	---------	---------	---------	----------------	-----

It is proposed to remove the budget for homeless inserts into the Flack magazine, which has ceased publication.

<b>S3538</b>	<b>Saving in contributions to the Sub-Regional Housing Service</b>	0	(4,110)	(4,110)	(4,110)	(4,110)	Helen Reed	Nil
--------------	--	---	---------	---------	---------	---------	------------	-----

The contributions to both the Sub-Regional Housing Co-Ordinator post and the Strategic Housing Market Assessment are lower than previously anticipated, with a decision sub-regionally to reduce the annual ongoing contribution to the latter, which will deliver savings of £2,090 in both in Strategic Housing and Planning budgets for the city.

<b>S3541</b>	<b>Housing General Fund salary savings</b>	0	(5,400)	(5,400)	(5,400)	(5,400)	Julia Hovells	Nil
--------------	--	---	---------	---------	---------	---------	---------------	-----

Salary savings derived from recruitment to vacant posts at lower points than vacated

<b>S3545</b>	<b>Reduction in charge to the General Fund for the Head of Strategic Housing</b>	0	(21,550)	(21,550)	(21,550)	(21,550)	Julia Hovells	Nil
--------------	--	---	----------	----------	----------	----------	---------------	-----

A review of the responsibilities of the Head of Strategic Housing has resulted in the need to increase the proportion of the post funded by the HRA, recognising the large increase in HRA new build activity.

## 2015/16 Budget - General Fund

Page 10 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

## Total Savings in Housing

0	(92,880)	(92,880)	(92,880)	(92,880)
---	----------	----------	----------	----------

## Non-Committee Items

<b>S3614</b>	<b>Maternity Fund reduction in funding</b>	0	(100,000)	(100,000)	(100,000)	(100,000)	Caroline Ryba	Nil
--------------	--	---	-----------	-----------	-----------	-----------	---------------	-----

Reduced provision of £100k for centralised maternity fund. Services will be asked to fund maternity pay within service budgets in the first instance. A central provision of £75k will be retained by the Head of Finance to assist on a case by case basis where services are unable to cover maternity pay and/or cover arrangements within their overall service budgets.

<b>S3646</b>	<b>Adjustment to staff recharges between the General Fund and the HRA</b>	0	(64,860)	(64,860)	(64,860)	(64,860)	Julia Hovells	Nil
--------------	---	---	----------	----------	----------	----------	---------------	-----

Recharges for the Director of Customer & Community Services, Executive Team and Business Team have been reviewed in light of the changes in responsibility for service areas, with Estates and Facilities now managed in this department, whilst Customer Services have transferred to the Director of Business Transformation.

<b>S3668</b>	<b>Council Tax Earmarked for Growth Fund - cease contributions</b>	0	(200,000)	(200,000)	(200,000)	(200,000)	Caroline Ryba	Nil
--------------	--	---	-----------	-----------	-----------	-----------	---------------	-----

The Council Tax Earmarked for Growth Fund was reviewed as part of the Reserves Review. The fund was originally established so that increases in Council tax yield resulting from a Council tax base increase above 0.5% would provide a funding source to meet the future costs of growth-related budget items. Rather than earmark this sum, the full Council Tax yield will now be included for resources purposes against which growth-related and other budget items will bid. Therefore any uncommitted balance will be returned to General Fund reserves and no further contributions will be made.

<b>S3677</b>	<b>Review of General Fund Repairs and Renewals</b>	0	(1,692,000)	(1,692,000)	(1,692,000)	(1,692,000)	Caroline Ryba	Nil
--------------	--	---	-------------	-------------	-------------	-------------	---------------	-----

Following a review of the purpose and use of these balances, Repairs and Renewals (R&R) Fund annual contributions are to be reduced, after providing for contributions for specific replacements and an additional £1m of Direct Revenue Financing (DRF). [Linked to NCL3678 & CF3672].

<b>S3680</b>	<b>Review employee turnover / vacancy factor</b>	0	(50,000)	(50,000)	(50,000)	(50,000)	John Harvey	Nil
--------------	--	---	----------	----------	----------	----------	-------------	-----

In general, employee budgets assume an employee turnover saving of 3% of gross pay budget. Specific vacancy factors are applied where experience indicates that a different factor is more applicable. These factors will be reviewed.

## 2015/16 Budget - General Fund

Page 11 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

<b>S3717</b>	<b>Savings due to Direct Revenue Funding (DRF) being met from New Homes Bonus (NHB)</b>	0	(150,000)	(195,000)	(1,075,000)	(1,075,000)	Caroline Ryba	Nil
--------------	---	---	-----------	-----------	-------------	-------------	---------------	-----

Savings due to Direct Revenue Funding (DRF) being met from New Homes Bonus (NHB).

This revenue saving is facilitated by allocating this amount from the total New Homes Bonus (NHB) which incorporates additional for 2015/16 based on 17 December notification from the Department for Communities and Local Government (DCLG) and future NHB amounts calculated based on Annual Monitoring Report (AMR) housing projections and this allocation. [Linked to NCL3716, NCL3692, NCL3750, NCL3751 and NCL3715].

<b>Total Savings in Non-Committee Items</b>	<b>0</b>	<b>(2,256,860)</b>	<b>(2,301,860)</b>	<b>(3,181,860)</b>	<b>(3,181,860)</b>
---	----------	--------------------	--------------------	--------------------	--------------------

## Planning Policy &amp; Transport

<b>S3568</b>	<b>Electricity saving at Grafton West Car Park - LED lighting</b>	0	(2,800)	(2,800)	(2,800)	(2,800)	Paul Necus	+M
--------------	---	---	---------	---------	---------	---------	------------	----

Climate change saving - Electricity saving at Grafton West Car Park following the installation of LED lighting as part of the refurbishment project.

<b>S3685</b>	<b>Salary savings from Director &amp; Business &amp; Information Services (BIS) cost centre</b>	0	(26,000)	(26,000)	(26,000)	(26,000)	Paul Boucher	Nil
--------------	---	---	----------	----------	----------	----------	--------------	-----

Savings from a review of salary budgets which have largely arisen from the recruitment of staff at entry zone levels of pay bands compared to the previous post holders.

<b>Total Savings in Planning Policy &amp; Transport</b>	<b>0</b>	<b>(28,800)</b>	<b>(28,800)</b>	<b>(28,800)</b>	<b>(28,800)</b>
---	----------	-----------------	-----------------	-----------------	-----------------

## Strategy &amp; Transformation

<b>S3528</b>	<b>End financial contribution to Cambridgeshire Constabulary</b>	0	(51,000)	(51,000)	(51,000)	(51,000)	Lynda Kilkelly	Nil
--------------	--	---	----------	----------	----------	----------	----------------	-----

Cambridgeshire Constabulary asked districts across the county in 2005 for a funding contribution towards the cost of Police Community Support Officers. Other districts ceased these payments several years ago. There is no longer any specific benefit linked to this funding and the Constabulary have made recent changes to PCSO numbers without reference to district councils. After discussions with both Cambridge police and the Commissioner's office, it is proposed to make this saving and reinvest the majority in continuing Neighbourhood Resolution Panels and new initiatives to tackle domestic violence, including working to obtain 'White Ribbon' status for the Council as part of the Council's community safety ongoing commitments of over £300,000 each year.



## 2015/16 Budget - General Fund

Page 12 of 12

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Savings

<b>S3529</b>	<b>Reduction in Safer City Revenue Grants</b>	0	(20,800)	(20,800)	(20,800)	(20,800)	Lynda Kilkelly	Nil
--------------	---	---	----------	----------	----------	----------	----------------	-----

This saving assumes that the one-off reduction in Safer City revenue grants, included as part of the 2014/15 budget process, is continued on an ongoing basis, and reflects the reduced level of take up that has been experienced during 2014/15 to date.

<b>S3547</b>	<b>Chief Executive's Department administrative savings</b>	0	(20,000)	(20,000)	(20,000)	(20,000)	Andrew Limb	Nil
--------------	--	---	----------	----------	----------	----------	-------------	-----

Combination of a number of small administrative items from the Chief Executive's Department, including the Corporate Strategy and Corporate Policy cost centres, deliverable due to efficiencies in the service, salary budget adjustments and reduction in contingency provision.

<b>S3551</b>	<b>Members' Allowances - saving arising from inflationary uplift in budget while allowance scheme frozen</b>	0	(14,000)	(14,000)	(14,000)	(14,000)	Gary Cliff	Nil
--------------	--	---	----------	----------	----------	----------	------------	-----

This saving is possible as Councillors have not taken an increase in their allowances over a period of years in which the budget has increased with inflation.

<b>S3559</b>	<b>Removing 5k from the Customer Service Centre training budget</b>	0	(5,000)	(5,000)	(5,000)	(5,000)	Clarissa Norman	Nil
--------------	---	---	---------	---------	---------	---------	-----------------	-----

Cambridge City Council will no longer be members of the Customer Contact Association (CCA) in 2015. We will therefore not be attending the annual conference and other seminars and courses provided by the association throughout the year. £5k can therefore be removed from the budget.

<b>Total Savings in Strategy &amp; Transformation</b>	<b>0</b>	<b>(110,800)</b>	<b>(110,800)</b>	<b>(110,800)</b>	<b>(110,800)</b>			
<b>Total Savings</b>	<b>0</b>	<b>(2,619,840)</b>	<b>(2,664,840)</b>	<b>(3,544,840)</b>	<b>(3,544,840)</b>			
<b>Report Total</b>	<b>0</b>	<b>(3,545,030)</b>	<b>(4,328,830)</b>	<b>(5,386,130)</b>	<b>(5,851,130)</b>			

## 2015/16 Budget - General Fund

Page 1 of 2

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## PPF Bids

## Finance &amp; Resources

PPF3706	Trade Union Facilities Agreement	0	34,500	34,500	34,500	34,500	Deborah Simpson	Nil
---------	----------------------------------	---	--------	--------	--------	--------	-----------------	-----

Trade Union branch secretaries do not currently have the time to fully contribute to the multiple transformation processes that are ongoing. This proposal will enhance the trade union facilities agreement by allowing additional support to HR and the council as staff face uncertainty and challenges arising from the transformation programme, will ease the transition and allow full participation, thereby ensuring the morale is maintained and the process takes account of input from staff.

## Total PPF Bids in Finance &amp; Resources

0	34,500	34,500	34,500	34,500
---	--------	--------	--------	--------

## Housing

PPF3533	Funding to contribute to a county-wide Handyperson Service	0	8,800	8,800	8,800	8,800	Helen Reed	Nil
---------	--	---	-------	-------	-------	-------	------------	-----

It is proposed to replace the existing Safer Homes Scheme, which has been funded temporarily, with a county-wide Handyperson Service, providing small repairs and minor works activity in the homes of older and vulnerable people. The scheme will also contribute to objectives of the Health and Wellbeing Strategy.

PPF3562	Cambridge Landlord Accreditation Safety Scheme	0	40,000	40,000	40,000	40,000	Yvonne O'Donnell	Nil
---------	--	---	--------	--------	--------	--------	------------------	-----

The private rented sector is of increasing importance to City residents and has grown significantly over the last decade. This bid will allow us to introduce a co-ordinated scheme including enhanced accreditation and training which will support good landlords. It will also allow for greater and targeted enforcement against poorly managed rented properties and HMO's and investigations into the feasibility of discretionary licensing powers such as Additional Licensing. Given current demands the service is unable to deliver this within existing resources.

PPF3564	Empty Homes Officer Post	0	24,000	40,000	40,000	40,000	Yvonne O'Donnell	+L
---------	--------------------------	---	--------	--------	--------	--------	------------------	----

Creation of permanent post to bring long term vacant dwellings back into occupation. This will increase the level of affordable housing, reduce environmental impact and increase new homes bonus receipts. Currently there is funding for a temporary post until August 2015 although the post is currently vacant. During his tenure of 11 months the previous empty property officer was able to bring back into use 25 long term properties, 15 of which were eligible for new homes bonus which equates to £106,000 over 6 years. This new post will bring an average of 20 properties per year back into use. Last year approximately £200k was placed into reserves following a Compulsory Purchase order on an empty home. [Linked to C3563]

## Total PPF Bids in Housing

0	72,800	88,800	88,800	88,800
---	--------	--------	--------	--------

## Strategy &amp; Transformation

Page 282

## 2015/16 Budget - General Fund

Page 2 of 2

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## PPF Bids

PPF3539	Continuation and expansion of the Neighbourhood Resolution Panel initiative	0	21,400	21,400	21,400	21,400	Lynda Kilkelly	Nil
---------	---	---	--------	--------	--------	--------	----------------	-----

This bid, as with bid PPF3540, is also offset from savings offered in community safety functions and would enable the continuation of the employment of a Neighbourhood Resolution Panel Co-ordinator and an expansion of this service which works closely with the police. The work of the NRPs helps with ASB and community tensions in more deprived areas where ASB can be more prevalent.

PPF3540	Additional funding for the Community Safety Partnership Support Officer / Domestic Abuse Co-Ordinator	0	9,600	9,600	9,600	9,600	Lynda Kilkelly	Nil
---------	---	---	-------	-------	-------	-------	----------------	-----

The bid would allow the expansion of the domestic abuse co-ordination functions, to deliver the white ribbon campaign. Savings have been offered in other areas of community safety functions which offset the costs of this bid and bid PPF3539. The domestic abuse work will assist with delivering targets in areas of low income with high domestic abuse.

<b>Total PPF Bids in Strategy &amp; Transformation</b>	<b>0</b>	<b>31,000</b>	<b>31,000</b>	<b>31,000</b>	<b>31,000</b>
<b>Total PPF Bids</b>	<b>0</b>	<b>138,300</b>	<b>154,300</b>	<b>154,300</b>	<b>154,300</b>
<b>Report Total</b>	<b>0</b>	<b>138,300</b>	<b>154,300</b>	<b>154,300</b>	<b>154,300</b>

## 2015/16 Budget - General Fund

Page 1 of 3

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## External Bids

## City Centre &amp; Public Places

<b>X3557</b>	<b>Mill Road Coordinator - Phased withdrawal of funding</b>	0	10,000	5,000	2,500	0	Emma Thornton	Nil
--------------	---	---	--------	-------	-------	---	------------------	-----

Funding for the Mill Road Coordinator post was approved in 2012 for 3 years and this runs out at the end of August 2015. A Business Plan is under development with the businesses in Mill Road which would enable this activity to be self-funding within 3 years. To facilitate this the business community are requesting a phased withdrawal of funding over the next 3 years. Continued support of this role will directly benefit the new Chesterton/Mitcham's Corner Coordinator as it will be key in supporting and mentoring this new role. [Fund from Fixed-Term Priority Project Fund, FTPPF]

## Total External Bids in City Centre &amp; Public Places

0	10,000	5,000	2,500	0
---	--------	-------	-------	---

## Community, Arts &amp; Recreation

<b>X3572</b>	<b>Children &amp; Young People's Area Engagement Project</b>	0	46,000	46,000	0	0	Debbie Kaye	Nil
--------------	--	---	--------	--------	---	---	-------------	-----

This project aims to improve the engagement and influence of children and young people in the city in council decisions that affect and impact upon them, such as options for the use of Section 106 funding of community facilities, open space and sport, together with views on other neighbourhood issues.

The project will focus on outreach work within each of the four Area Committee areas, albeit with a focus on the four wards that experience the highest relative deprivation in the city. It is proposed that the project is run through ChYpPS, and a community engagement officer is proposed to be recruited from this budget to assist with the outreach work. Four 'Agenda Days' will be organised to bring young people together, the costs of which would be met from the budget allocated.

The project is to be funded for two years, with a project review after 18 months to explore future funding options. [Fund from Fixed-Term Priority Project Fund, FTPPF]

<b>X3574</b>	<b>Junior Savers Pilot Project</b>	0	10,000	0	0	0	Debbie Kaye	Nil
--------------	------------------------------------	---	--------	---	---	---	-------------	-----

Pilot project working with one secondary and one primary school in a deprived area of the city to encourage young people to open savings accounts with a Credit Union. It is anticipated that the project would be managed by Rainbow Savers Anglia Credit Union with some initial support from Community Development officers.

[Fund from Sharing Prosperity Fund, SPF]

<b>X3575</b>	<b>North West Cambridge Growth Quadrant - Community Development Staffing</b>	0	30,000	100,000	100,000	100,000	Debbie Kaye	Nil
--------------	--	---	--------	---------	---------	---------	-------------	-----

The S106 Agreements for the NW Cambridge Quadrant require developers to provide funding for Community Development, Youth Worker and Sports Development staff to help integrate and build capacity within the new communities. This funding is subject to triggers relating to build out rates over the next 6 to 7 years. Staff will be employed by the Council during this period. Recruitment will be staggered to meet the demands of new residents as they move in. The total amount of funding is £606,000. Therefore, income/expenditure profile is PROVISIONAL. [Fund from Developer Contributions]

## 2015/16 Budget - General Fund

Page 2 of 3

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## External Bids

X3649	Free swimming lessons for children, Sharing Prosperity Fund bid.	0	10,000	9,000	9,000		0 Ian Ross	Nil
-------	--	---	--------	-------	-------	--	------------	-----

The project will focus on two groups; a) younger children from low income families and b) children who cannot swim at the key stage 2 assessment point. A term of 12-14 lessons would be offered free-of-charge to identified families or referrals via a voucher redeemed via GLL at Council-run pools. Scheme a) NEW for pre-school and key stage 1 children. Scheme b) Already exists, funded by local public health funding for one year 2014/15. This bid would enable continuation for a further 3 years. [Fund from Sharing Prosperity Fund, SPF]

## Total External Bids in Community, Arts &amp; Recreation

0	96,000	155,000	109,000	100,000
---	--------	---------	---------	---------

## Finance &amp; Resources

X3657	Citizen's Advice GP-based outreach pilot project	0	25,000	0	0		0 Andrew Limb	Nil
-------	--	---	--------	---	---	--	---------------	-----

The project involves the placement of a qualified advisor from Cambridge CAB in East Barnwell General Practice for three days per week to run an advice session for clients who have been referred by GPs based in the practice. The GPs will offer the advice as part of their consultations to people who present with issues that affect their well-being. This is a pilot project that, if successful, could be used to leverage funding in future from other public sector bodies such as the National Health Service NHS). [Fund from Sharing Prosperity Fund, SPF].

X3658	Digital skills in deprived areas	0	15,000	0	0		0 Andrew Limb	Nil
-------	----------------------------------	---	--------	---	---	--	---------------	-----

Working with the County Council, helping people to get the online skills they need to support the anti-poverty strategy (i.e. general digital access, including to public services) but also to focus on job search and online applications. [Fund from Sharing Prosperity Fund, SPF].

X3683	Rental Support for Cambridge City Foodbank	0	14,000	14,000	0		0 Dave Prinsep	Nil
-------	--	---	--------	--------	---	--	----------------	-----

Proposal to provide rental support of £14,000 p.a. to Cambridge City Foodbank to enable them to increase their management capability and expand their services locally from their Cambridge base. This is to be funded from the Sharing Prosperity Fund for 2015/16 and 2016/17 after which it will be reviewed. The Foodbank currently operates from Orwell House/Furlong as its base with 6 distribution centres, operating purely through voluntary staff and public/corporate donations. This funding will enable them to develop their services and relieve financial pressure due to uncertain and fluctuating funding sources. [Fund from Sharing Prosperity Fund, SPF]

## Total External Bids in Finance &amp; Resources

0	54,000	14,000	0	0
---	--------	--------	---	---

## Housing

## 2015/16 Budget - General Fund

Page 3 of 3

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## External Bids

X3729	Refuge provision - Enhanced services using DCLG grant funding	0	100,000	0	0	0	David Greening	Nil
-------	---	---	---------	---	---	---	-------------------	-----

The Department for Communities and Local Government have announced a £10 million fund to assist local authorities in strengthening refuge services, with the aim of keeping victims of domestic abuse safe. If successful in securing a bid for £100,000, Cambridge City Council would work with Cambridge Women's Aid in partnership with two other refuges to employ a dedicated Community Psychiatric Nurse to work with those with mental health issues. The funding would also be used to improve the existing refuge provision, allowing essential repairs to be undertaken and facilitating the transfer of residents between refuges where they can be best supported. [Fund from DCLG grant].

X3730	Supported Lodgings Scheme and Chronically Excluded Adults Service - DCLG grant funded initiative	75,980	126,640	0	0	0	David Greening	Nil
-------	--	--------	---------	---	---	---	-------------------	-----

The authority, on behalf of a number of partner authorities, has been successful in securing DCLG grant funding for the Single Homelessness Service, totalling £202,620 across 2014/15 and 2015/16. It is anticipated that some of the resource will be used through the supported lodgings scheme, which matches community volunteers to individuals, providing 'room only' accommodation or supported lodgings. The balance of funding will be used to extend the existing Chronically Excluded Adults Service into Peterborough, working with those in hard to reach groups who are homeless or at risk of becoming homeless. [Fund from DCLG grant].

<b>Total External Bids in Housing</b>	<b>75,980</b>	<b>226,640</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Total External Bids</b>	<b>75,980</b>	<b>386,640</b>	<b>174,000</b>	<b>111,500</b>	<b>100,000</b>			
<b>Report Total</b>	<b>75,980</b>	<b>386,640</b>	<b>174,000</b>	<b>111,500</b>	<b>100,000</b>			

## 2015/16 Budget - General Fund

Page 1 of 4

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Non-Cash Limit Items

## Finance &amp; Resources

NCL3696	Creation of an "Invest for Income" Fund	0	6,500,000	1,000,000	500,000	0	Caroline Ryba	Nil
---------	---	---	-----------	-----------	---------	---	---------------	-----

In order to maximise the return from our capital, it is proposed to place funding released by the reviews of earmarked reserves and the capital plan into an earmarked reserve to fund income-generating investments. A formal 'Invest for Income' process will be set up to develop proposals, with the assumption that investments opportunities will make commercial returns of at least 5%. They may include investment in general fund residential property, energy generation, and other opportunities.

## Total Non-Cash Limit Items in Finance &amp; Resources

0	6,500,000	1,000,000	500,000	0
---	-----------	-----------	---------	---

## Non-Committee Items

NCL3670	Contribution to Sharing Prosperity Fund (SPF)	0	325,000	0	0	0	Caroline Ryba	Nil
---------	---	---	---------	---	---	---	---------------	-----

This will provide for an additional contribution to provide funding capacity for new budgetary items identified through the Anti-Poverty Strategy Process. The funding will be for one-off projects, or for pilots of projects that might require ongoing funding. If projects do require ongoing revenue funding, after having a pilot funded by the SPF they can make a revenue or PPF bid. It will be expected that the SPF will be topped up in future years, if the funding is available, to ensure that the resources exist to finance Anti-Poverty initiatives.

NCL3671	Council Tax revised income projections	0	(36,490)	(26,440)	(79,400)	(224,340)	Charity Main	Nil
---------	--	---	----------	----------	----------	-----------	--------------	-----

The Council Tax income projections have been revised (since MFR 2014) in light of the calculated Council Tax Base for 2015/16 and the Annual Monitoring Review (AMR) of housing projections.

NCL3678	Review of General Fund Repairs and Renewals	0	(9,387,000)	0	0	0	Caroline Ryba	Nil
---------	---	---	-------------	---	---	---	---------------	-----

Repairs and Renewals (R&R) Fund balances returned to general reserves, following a review of the purpose and use of these balances. Capital schemes formerly funded from R&R will be funded from increased levels of Direct Revenue Financing (DRF). [Linked to CF3672 & S3677].

NCL3679	Reserves Review	0	(2,715,000)	0	0	0	Caroline Ryba	Nil
---------	-----------------	---	-------------	---	---	---	---------------	-----

Earmarked reserve balances returned to general reserves following a review of the purpose and use of these balances.

NCL3689	Capital Plan - reduction in Direct Revenue Funding (DRF)	(178,000)	(1,928,000)	(1,895,000)	(195,000)	(195,000)	Caroline Ryba	Nil
---------	--	-----------	-------------	-------------	-----------	-----------	---------------	-----

## 2015/16 Budget - General Fund

Page 2 of 4

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Non-Cash Limit Items

Funding returned to general fund reserves following a review of the capital plan which identified projects that are not yet ready for delivery, are no longer required, or are not true capital projects and were to be funded from Direct Revenue Funding (DRF).

NCL3690	Capital Plan - R & R funding returned to GF reserves	(294,000)	(1,236,000)	0	0	0	Caroline Ryba	Nil
---------	--	-----------	-------------	---	---	---	---------------	-----

Funding returned to general fund reserves following a review of the capital plan which identified projects that are not yet ready for delivery, are no longer required, or are not true capital projects and were to be funded from Repairs and Renewals.

NCL3691	Capital Plan - Direct Revenue Funding (DRF) to fund Commercial Property Acquisition Programme	0	8,000,000	0	0	0	Caroline Ryba	Nil
---------	---	---	-----------	---	---	---	---------------	-----

Capital Plan - Direct Revenue Funding (DRF) to fund Commercial Property Acquisition Programme. [Linked to C3664, I13665 and R13666].

NCL3715	New Homes Bonus (NHB) - unallocated	0	459,000	585,000	661,000	928,000	Caroline Ryba	Nil
---------	-------------------------------------	---	---------	---------	---------	---------	---------------	-----

Balance of projected New Homes Bonus after allocations. This incorporates the additional New Homes Bonus for 2015/16 based on 17 December notification from the Department for Communities and Local Government (DCLG), future NHB amounts calculated based on Annual Monitoring Report (AMR) housing projections, previously approved allocations plus new allocations for City Deal infrastructure investment and Capital Plan Direct Revenue Funding (DRF). [Linked to NCL3716, NCL3692, NCL3750, NCL3751 and S3717].

NCL3716	New Homes Bonus (NHB) additional 2015/16 to 2019/20	0	(1,587,000)	(2,641,000)	(3,580,000)	(4,849,000)	Caroline Ryba	Nil
---------	---	---	-------------	-------------	-------------	-------------	---------------	-----

Additional New Homes Bonus for 2015/16 based on 17 December notification from the Department for Communities and Local Government (DCLG). Future NHB amounts calculated based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL3715, NCL3692, NCL3750, NCL3751 and S3717].

NCL3738	Capital Plan - Programme Review - R and R funding returned to GF Reserves	0	(661,000)	(254,000)	(194,000)	0	Caroline Ryba	Nil
---------	---	---	-----------	-----------	-----------	---	---------------	-----

Funding returned to general fund reserves following a review of capital programmes for ICT infrastructure, Admin Buildings and Commercial Properties Asset Replacement.

NCL3739	Capital Plan - Programme Review - reduction in Direct Revenue Funding (DRF)	0	(437,000)	0	0	0	Caroline Ryba	Nil
---------	---	---	-----------	---	---	---	---------------	-----



## 2015/16 Budget - General Fund

Page 3 of 4

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Non-Cash Limit Items

Funding returned to general fund reserves which is in light of the review of city-wide Public Convenience provision that is to follow in 2015, where the decision has been taken to put the current programme of capital improvements onto the 'Projects under development' list, pending the results of the review.

<b>NCL3740</b>	<b>Council Tax Collection Fund Deficit</b>	0	60,330	0	0	0	Charity Main	Nil
----------------	--	---	--------	---	---	---	--------------	-----

The Collection Fund for Council Tax is projected to have a deficit at the end of the current year of £216,019. The City Council's share of this projected year-end deficit is £60,330 and this will need to be taken into account in setting the Council's budget for 2015/16.

<b>NCL3744</b>	<b>Government Settlement (provisional)</b>	0	11,710	0	0	0	Caroline Ryba	Nil
----------------	--	---	--------	---	---	---	---------------	-----

The provisional Local Government Settlement was announced on Wednesday 18 December 2014, marking the start of a four week consultation period which will end on 15 January 2015. The Mid-Year Financial Review (MFR) 2014 assumed a Settlement Funding Assessment (SFA) of £6,901k. The provisional settlement is £11k, or 0.2% lower than this so is included as a budget adjustment.

<b>NCL3750</b>	<b>New Homes Bonus (NHB) - remove previous unallocated sums, now superseded</b>	0	(1,007,000)	(1,147,000)	(1,240,000)	(505,000)	Caroline Ryba	Nil
----------------	---	---	-------------	-------------	-------------	-----------	---------------	-----

Remove the previously unallocated New Homes Bonus as this has been superseded by NCL3715. [Linked to NCL3716, NCL3692, NCL3715, NCL3751 and S3717].

<b>NCL3751</b>	<b>New Homes Bonus (NHB) - allocated to Direct Revenue Funding (DRF) of Capital</b>	0	150,000	195,000	1,075,000	1,075,000	Caroline Ryba	Nil
----------------	---	---	---------	---------	-----------	-----------	---------------	-----

Contribution from New Homes Bonus to support the Capital Plan - this facilitated a revenue saving. [Linked to NCL3716, NCL3692, NCL3715, NCL3750 and S3717].

<b>Total Non-Cash Limit Items in Non-Committee Items</b>	<b>(472,000)</b>	<b>(9,988,450)</b>	<b>(5,183,440)</b>	<b>(3,552,400)</b>	<b>(3,770,340)</b>			
--	------------------	--------------------	--------------------	--------------------	--------------------	--	--	--

## Strategy &amp; Transformation

<b>NCL3692</b>	<b>Contribution to City Deal from New Homes Bonus (NHB)</b>	0	1,985,000	3,009,000	3,085,000	3,352,000	Patsy Dell	Nil
----------------	---	---	-----------	-----------	-----------	-----------	------------	-----

Contribution from New Homes Bonus to support the City Deal programme based on a contribution of 40% in 2015/16 and 50% thereafter. This incorporates the additional New Homes Bonus for 2015/16 based on 17 December notification from the Department for Communities and Local Government (DCLG) and future NHB amounts calculated based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL3716, NCL3715, NCL3750, NCL3751 and S3717].

## 2015/16 Budget - General Fund

Page 4 of 4

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Non-Cash Limit Items

Total Non-Cash Limit Items in Strategy & Transformation	0	1,985,000	3,009,000	3,085,000	3,352,000		
Total Non-Cash Limit Items	(472,000)	(1,503,450)	(1,174,440)	32,600	(418,340)		
Report Total	(472,000)	(1,503,450)	(1,174,440)	32,600	(418,340)		

# Appendix C

## Sensitivity Analysis

Topic	Quantum	BSR Assumption	Commentary / Risk
Bereavement Services Income	c.£1.8m	Current mortality rates built into BSR assumptions	Falling mortality rate [yet ageing population in Cambridge]  Opening of competitor facilities in view of the expansion of Cambridge sub region and the comparatively low investment required for a profitable new build crematorium with private sector operating costs.  Success of Commemoration scheme (Positive)
Building Control Fee Income	c. £0.5m	Based on break-even full cost recovery position for the Building Control Service	Impact of economic recovery is not as swift as anticipated  Increased competition from approved inspectors leading to smaller market share
Car Parking Income	c. £9.2m	Based on Officer and external consultants' projections of usage	Economic downturn reduces usage and/or increased use of Park & Ride and impact of guided bus.  Improving economic situation lead to increase in disposable income (Positive)
Commercial Property Income	c. £6.5m	Officer assessment of current market conditions and future trends	Economic conditions lead to increase in voids, increased level of unrecoverable debts and less significant rent increases.
Council Tax Income	£6.7m p.a.	2% increase for 2015/16 and future years are built into projections	Criteria for triggering referendums for proposed excessive increases are published each year.  The requirement for rebilling and associated costs, together with the loss of Council Tax income, effectively provide a strong disincentive for high increase proposals.  Economic climate may require an increase in enforcement activity.
Developer Contributions	c. £5.0m	All contributions are used in compliance with terms of agreements.  Capital bids for area-based and City-wide projects funded from developer contributions have been identified.	Failure to meet conditions of individual schemes leads to the requirement to repay contributions and accrued interest to developers.  Developers seek to renegotiate current agreements in order to improve the viability of their schemes putting at risk the ability to deliver essential infrastructure  When the full impact of the Community Infrastructure Levy is understood it is likely to reduce income from individual developments.

Topic	Quantum	BSR Assumption	Commentary / Risk
Employer's Pension Contribution	£35m	BSR includes provision for employer's percentage and capital payments, now updated for one-off contributions anticipated in the next triennial revaluation	Subject to the outcome of the next triennial review with effect from 1 April 2017.
Energy costs (all)	£1.2m	Officer assessment of current conditions and trends, based on latest contracts	Volatility of world market prices. The Council has contracts for electricity and gas which run from October each year and takes specialist consultant advice in determining the most advantageous terms to contract for.
Future Capital Receipts	Income	Occasional disposal of assets as outlined in the Disposal Programme. Income not taken into account until received.	Market conditions significantly reduce the value of Council assets with the associated reduced level of funding available for new capital investment. Purchaser's ability to buy is limited due to financing constraints.
Housing Benefits	£39.3m	Officer assessment of current conditions and trends	<ul style="list-style-type: none"> <li>- Council funded element of provision of the service.</li> <li>- Potential increase in Housing Benefit fraud</li> <li>- Council breached the thresholds (upper and/or lower) set by the DWP for local authority error overpayment subsidy, then this could materially affect the level of subsidy receivable on such amounts down from 100% to either 40% or 0%.</li> </ul>
Investment Income	+/- 1% is c. £400k for 2015/16 variable investments	These are based on a mid-range level provided by market analysts.	<p>Rates fall further than anticipated or for a longer period.</p> <p>A shorter period of recession or a less steep decline in rates would result in increase in investment income. (Positive)</p>
Land Charges Income	c. £0.2m	Reductions based on latest experience have been incorporated	<p>Increased proportion of personal searches and reduced number of overall searches due to market conditions.</p> <p>Potential limitation of ability to charge for searches as a result current legal settlement</p>
Local Retention of Business Rates	£1m estimated	BSR includes projections based on latest figures and guidance	Business rates is subject to the level of appeals against valuations lodged with the Valuation Office Agency (VOA) and the effects of redevelopment and growth in the City.
Market Income	c. £0.8m	Officer assessment of current market conditions and future trends	Increased level of voids as a result of the current economic climate, mitigated by new traders coming to the market as we seek to widen the range of services on the market and the cost of business premises is prohibitive for start-ups.
Non-Pay inflation	+/- 1% is GF ~ £300k for either income or expenditure for 2015/16	General inflation is included at 2.0% from 2015/16 ongoing (based on the Government target for CPI inflation).	General Inflation rises more quickly than anticipated placing greater pressure on cash limited budgets or on General Reserves to fund those pressures.

Topic	Quantum	BSR Assumption	Commentary / Risk
Pay Settlement	£35m	Plus pay progression cost estimate plus: 2014/15 - 1%* 2015/16 - 1%* 2016/17 - 1.5% 2017/18 - 2.0% And 2.5% thereafter.	Pay award agreed (2 year award approx 2.2% w.e.f. 1 Jan 2015) and effects have been included in the report  An annual percentage allowance for incremental progression was previously included pending any detailed budget adjustments to reflect performance results. Changed to projected progression cost.
Planning Fee Income	c. £1.2m	Income projections for 2015/16 have been amended to reflect current market conditions.	Impact of economic recovery is not as swift as anticipated

## 2015/16 Budget - General Fund

Page 1 of 8

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

## City Centre &amp; Public Places

<b>C3566</b>	<b>Drainage and resurfacing works at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery [R and R]</b>	0	20,000	208,000	208,000	400,000	Tracy Lawrence	+L
--------------	---	---	--------	---------	---------	---------	----------------	----

Drainage - preliminary investigations have revealed collapsed drains at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery. The 2015/16 bid is to provide funding for further investigations and specifications to establish a programme of works phased over three years. Following the completion of these works, resurfacing of the car parks and other affected areas will need to take place. Implications of not doing the work are that the car parks at the crematorium regularly flood resulting in a costly pumping out process and flooding of grave spaces at Huntingdon Road.  
[Funded from Bereavement Services Business Plan]

<b>C3567</b>	<b>Supply and install generator at the Crematorium [R and R]</b>	0	50,000	0	0	0	Tracy Lawrence	Nil
--------------	--	---	--------	---	---	---	----------------	-----

To provide continuity of service in the event of a power failure. To ensure funeral services are able to continue - lighting/music etc. To also ensure the cremation process is not interrupted and to meet the regulators requirement and conditions of our permit to operate. Avoid pollution should the system need to go to bypass mode (the mercury abatement plant will not operate).  
[Funded from Bereavement Services Business Plan]

<b>C3621</b>	<b>Extension of the Environmental Improvement Programme</b>	0	0	170,000	170,000	170,000	Andy Preston	Nil
--------------	---	---	---	---------	---------	---------	--------------	-----

Proposal to extend the existing Environmental Improvement Programme by a further 3 years from 2016/17 onwards. The one year break will allow the considerable number of existing approved schemes to be completed, before commencement of the new programme. It is proposed that the scheme eligibility criteria for the programme be reviewed with a view to restricting the number of projects that relate to the function of the highway. A separate capital bid has been submitted to create a new programme to fund such highway-related projects, in partnership with the County Council's Local Highway Improvement Programme.  
[Linked to C3623]

<b>C3700</b>	<b>Review of Local Centres Improvement Programme [Transfer from Capital Plan to Projects Under Development (PUD)]</b>	0	(195,000)	(195,000)	(195,000)	(195,000)	n/a	Nil
--------------	---	---	-----------	-----------	-----------	-----------	-----	-----

In order for this programme to be delivered promptly and appropriately, proper plans and business cases need to be brought forward before it is included fully on the capital programme. As a result, it is proposed to place the programme on the 'Projects under development (PUD) list' while the first two proposals, related to Cherry Hinton High Street and Arbury Court, are drawn up in detail and further work is progressed on the other schemes, such as for Mitcham's Corner. When the plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Direct Revenue Funding (DRF) back into reserves].

## 2015/16 Budget - General Fund

Page 2 of 8

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

C3723	<b>Corn Exchange Heating Management System</b> [Close in Plan] [R and R]	(20,000)	0	0	0	0	Debbie Kaye	Nil
-------	---	----------	---	---	---	---	-------------	-----

Scheme completed so funding returned to reserves.

C3724	<b>Kings Hedges Learner Pool Electricity</b> [Close in Plan] [R and R]	(17,000)	0	0	0	0	Debbie Quincey	Nil
-------	--	----------	---	---	---	---	----------------	-----

Scheme completed so funding returned to reserves.

C3725	<b>Cambridge Crematorium - Staff room refurbishment</b> [Close in Plan] [R and R]	0	(30,000)	0	0	0	Tracy Lawrence	Nil
-------	--	---	----------	---	---	---	----------------	-----

Scheme completed so funding returned to reserves.

C3728	<b>Far East Prisoners of War Commemorative Plaque</b> [External £5k]	0	15,000	0	0	0	Andy Preston	Nil
-------	---	---	--------	---	---	---	--------------	-----

A bespoke designed bronze plaque to commemorate the Cambridge and Cambridgeshire Far East Prisoners of War, particularly the 1000 or more that did not return. The plaque is proposed to be located in a prime city centre location and unveiled as part of the WWII 70th anniversary commemoration on VJ Day on 15th August 2015. It is envisaged that external funding of at least £5k will be secured, with a City Council capital contribution of £10k. The project will be led by the project delivery team in the streets & open spaces service, both in terms of design and implementation, with input as required from other specialists.

<b>Total Capital Bids in City Centre &amp; Public Places</b>	<b>(37,000)</b>	<b>(140,000)</b>	<b>183,000</b>	<b>183,000</b>	<b>375,000</b>
--	-----------------	------------------	----------------	----------------	----------------

## Community, Arts &amp; Recreation

C3693	<b>Additional funding for Clay Farm Community Centre - Phase II</b> [Includes Developer Contributions and Borrowing]	0	2,160,000	0	0	0	Alan Carter	+M
-------	--	---	-----------	---	---	---	-------------	----

Following a successful competition and final costings, the total cost for the project is anticipated to be £9.87m. This bid represents the further capital requirement. [Funding from a variety of sources including Developer Contributions and internal or external borrowing]

<b>Total Capital Bids in Community, Arts &amp; Recreation</b>	<b>0</b>	<b>2,160,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
---	----------	------------------	----------	----------	----------

## Environment, Waste &amp; Public Health

## 2015/16 Budget - General Fund

Page 3 of 8

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

<b>C3684</b>	<b>Waste and recycling bins for new developments [Developer Contributions]</b>	0	78,000	125,000	112,000	100,000	Jen Robertson	+M
--------------	--	---	--------	---------	---------	---------	---------------	----

The budget is to provide refuse and recycling bins for houses and flats in new developments. It is funded entirely from S106 developer contributions. Figures are calculated using growth trajectory build out numbers for future years.

<b>C3720</b>	<b>Vehicle Replacement Programme [Close in Plan] [R &amp; R]</b>	(246,000)	(1,206,000)	0	0	0	Simon Payne	Nil
--------------	--	-----------	-------------	---	---	---	-------------	-----

Scheme completed so funding returned to reserves.

<b>C3721</b>	<b>In-cab technology for Trade Waste Service [Close in Plan]</b>	0	(33,000)	0	0	0	Jen Robertson	Nil
--------------	--	---	----------	---	---	---	---------------	-----

Scheme completed so funding returned to reserves.

<b>C3736</b>	<b>Public Conveniences PV016 [Transfer from Capital Plan to Projects Under Development (PUD)]</b>	0	(437,000)	0	0	0	Simon Payne	Nil
--------------	---	---	-----------	---	---	---	-------------	-----

In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Direct Revenue Funding (DRF) back into reserves].

<b>C3749</b>	<b>Vehicle Fleet Replacement [R &amp; R]</b>	0	597,000	0	0	0	David Cox	Nil
--------------	--	---	---------	---	---	---	-----------	-----

The Project is the purchase of the Council's fleet vehicles, plant and equipment scheduled and required for replacement in 2015/16, as part of a rolling programme necessary to replace out of life vehicles that would otherwise significantly increase maintenance costs.

<b>Total Capital Bids in Environment, Waste &amp; Public Health</b>	<b>(246,000)</b>	<b>(1,001,000)</b>	<b>125,000</b>	<b>112,000</b>	<b>100,000</b>			
---	------------------	--------------------	----------------	----------------	----------------	--	--	--

## Finance &amp; Resources

<b>C3664</b>	<b>Commercial Property Acquisition Programme</b>	0	8,000,000	0	0	0	Dave Prinsep	Nil
--------------	--	---	-----------	---	---	---	--------------	-----



## 2015/16 Budget - General Fund

Page 4 of 8

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

This programme will allow the council to purchase additional commercial properties to bring in more income to support frontline services.

Investment in property will refocus the Council's commercial property portfolio, funded from reserves. It is anticipated that the Council will gain not only a revenue yield of at least 5% per annum but also from capital value growth. [Linked to proposals I13665, R13666, NCL3691 and C3737].

<b>C3726</b>	<b>Localisation of Council Tax - Implementation costs [Close in Plan]</b>	(9,000)	0	0	0	0	Alison Cole	Nil
--------------	---	---------	---	---	---	---	-------------	-----

Scheme completed so funding returned to reserves.

<b>C3727</b>	<b>Corporate Document Management (DIP &amp; EDRM) [Close in Plan]</b>	(144,000)	0	0	0	0	James Nightingale	Nil
--------------	---	-----------	---	---	---	---	-------------------	-----

Scheme completed so funding returned to reserves.

<b>C3733</b>	<b>ICT Infrastructure Programme PR020 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]</b>	0	(90,000)	(160,000)	(110,000)	0	James Nightingale	Nil
--------------	--	---	----------	-----------	-----------	---	-------------------	-----

In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Repairs and Renewals Funding back into reserves].

<b>C3734</b>	<b>Admin Buildings Asset Replacement Programme PR023 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]</b>	0	(138,000)	(74,000)	(62,000)	0	Will Barfield	Nil
--------------	---	---	-----------	----------	----------	---	---------------	-----

In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Repairs and Renewals Funding back into reserves].

## 2015/16 Budget - General Fund

Page 5 of 8

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

C3735	<b>Commercial Properties Asset Replacement Programme PR024 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]</b>	0	(433,000)	(20,000)	(22,000)	0	Will Barfield	Nil
-------	---	---	-----------	----------	----------	---	---------------	-----

In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Repairs and Renewals Funding back into reserves].

C3737	<b>Commercial Property Portfolio [Existing Capital Receipts]</b>	0	515,000	0	0	0	Dave Prinsep	Nil
-------	--	---	---------	---	---	---	--------------	-----

Existing Capital receipts which were previously earmarked for property investment to be added to the amount provided for from reserves [Linked to proposal C3664].

<b>Total Capital Bids in Finance &amp; Resources</b>	<b>(153,000)</b>	<b>7,854,000</b>	<b>(254,000)</b>	<b>(194,000)</b>	<b>0</b>			
--	------------------	------------------	------------------	------------------	----------	--	--	--

## Housing

C3563	<b>Empty Homes Loan Fund [Reserves or CPO Balance]</b>	0	200,000	0	0	0	Yvonne O'Donnell	+L
-------	--	---	---------	---	---	---	---------------------	----

Provision of a ring fenced fund to provide an interest free loan to empty homes owners to undertake works to bring them back into occupation. During the repayment period (normally 5 years) occupation of the dwelling is capped to affordable rents and limited to use by social housing providers (including through Townhall lettings). Repayments of the loan are to be recycled back into the scheme, providing long term provision of financial assistance to bring long term vacant homes back into occupation. It is anticipated at full capacity that the scheme will have a minimum of 6-8 properties being supported through the scheme with effective partnerships being built into the private rented sector. [Linked to PPF3564]

C3620	<b>Buchan St Shopping Area Improvements [County]</b>	0	30,000	0	0	0	Andy Preston	Nil
-------	--	---	--------	---	---	---	--------------	-----

Funding has been secured from Cambridgeshire County Council (£30k) to deliver improvements to pedestrian and cycle links around the neighbourhood centre at Buchan St. This provides 100% of the funding for the project, including the resources required to implement it, so no further City Council funding is required.

C3701	<b>Compulsory Purchase Orders (CPOs) [Delete from Plan] [Usable Capital Receipts]</b>	(400,000)	0	0	0	0	Yvonne O'Donnell	Nil
-------	---	-----------	---	---	---	---	---------------------	-----

This provision has been closed and removed from the Capital Plan. If a CPO is necessary and funding is not available then this will be sought from reserves.

## 2015/16 Budget - General Fund

Page 6 of 8

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

C3702	HMOs - Management Orders [Delete from Plan] [Internal Borrowing]	(50,000)	0	0	0	0	Yvonne O'Donnell	Nil
-------	--	----------	---	---	---	---	------------------	-----

This provision has been closed and removed from the Capital Plan. If a Management Order is necessary, under the Housing Act 2004, funding will initially come from reserves and then paid out from future rent income.

C3722	Energy efficiency improvements to private sector housing [Close in Plan]	(25,000)	0	0	0	0	Jo Dicks	Nil
-------	--	----------	---	---	---	---	----------	-----

Scheme completed so funding returned to reserves.

<b>Total Capital Bids in Housing</b>	<b>(475,000)</b>	<b>230,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
--------------------------------------	------------------	----------------	----------	----------	----------	----------	--	--

## Non-Committee Items

C3699	Additional investment in Commercial Property Portfolio [Delete from Plan]	(816,000)	(500,000)	0	0	0	n/a	Nil
-------	---	-----------	-----------	---	---	---	-----	-----

Removed from Capital Plan (Transfer releases Direct Revenue Funding (DRF) but this is offset by reduction in Retained Business Rates, so net nil effect on reserves).

This scheme is now superseded by a proposed investment of £8m through the Commercial Property Acquisition Programme [Linked to C3664]

<b>Total Capital Bids in Non-Committee Items</b>	<b>(816,000)</b>	<b>(500,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
--	------------------	------------------	----------	----------	----------	----------	--	--

## Planning Policy &amp; Transport

C3622	Extension of Joint Cycleways Programme (+4 Years) [County 50%]	0	100,000	100,000	100,000	100,000	Andy Preston	+M
-------	--	---	---------	---------	---------	---------	--------------	----

Proposal to extend the current joint cycleways programme by a further four years. Cambridgeshire County Council has already confirmed that it is prepared to continue with its £50k contribution that it expects to be matched, otherwise it will reallocate any unmatched funding across the County as a whole. There are still a considerable number of schemes on the current approved prioritised list, which will be reviewed, updated and submitted for approval, should the programme extension be approved. Resources to deliver the programme are provided by both the City and County Council, providing a resilient efficient mechanism for delivery.

C3623	Minor Highway Improvement Programme	0	30,000	30,000	30,000	30,000	Andy Preston	Nil
-------	-------------------------------------	---	--------	--------	--------	--------	--------------	-----

## 2015/16 Budget - General Fund

Page 7 of 8

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

## Capital Bids

Proposal to create a capital budget to fund minor highway schemes in partnership with Cambridgeshire County Council and its Local Highway Improvement Programme, which requires a minimum 10% third party contribution to each project, traditionally provided by the Environment Improvement Programme. Budget proposed to be devolved to the Cambridge Joint Area Committee, which will prioritise scheme delivery, with subsequent City Council contributions approved by the Executive Councillor for Planning, Policy and Transport. Projects will be delivered predominantly by Cambridgeshire County Council resources; there are therefore minimal implications for service delivery. [Linked to C3621]

<b>C3625</b>	<b>Street lighting/CCTV budget increase</b>	0	41,500	0	0	0	Andy Preston	Nil
--------------	---	---	--------	---	---	---	--------------	-----

The City Council has agreed with Cambridgeshire County Council to jointly fund improvements to the design of street lighting in the historic core. This agreement includes a 50:50 share of the £130k estimated cost of these improvements. The current capital plan budget, reference PV033B Street Lighting/CCTV, currently has a balance of £40k, an additional capital bid of £25k is therefore required to provide the City Council's 50% contribution. The City Council is also proposing to solely fund improvements to the design of street lighting in a limited number of streets in the 'Kite' area of the city, requiring additional capital of £16.5k. There are no implications for service delivery for either of these proposals, as the work will be implemented by Cambridgeshire County Council's PFI Contactor Balfour Beatty.

<b>C3704</b>	<b>Refurbishment of Park Street Car Park [Transfer from Capital Plan to Projects Under Development (PUD)]</b>	0	(1,700,000)	(1,700,000)	0	0	Sean Cleary	Nil
--------------	---	---	-------------	-------------	---	---	-------------	-----

In order for this scheme to be properly planned before it is included fully on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When the plans are progressed sufficiently, this will be put back onto the Capital Plan. [Transfer releases Direct Revenue Funding (DRF) back into reserves].

<b>C3719</b>	<b>Topographical Survey of Multi-Story Car Parks [Close in Plan] [R and R]</b>	(11,000)	0	0	0	0	Sean Cleary	Nil
--------------	--	----------	---	---	---	---	-------------	-----

Scheme completed so funding returned to reserves.

<b>Total Capital Bids in Planning Policy &amp; Transport</b>	<b>(11,000)</b>	<b>(1,528,500)</b>	<b>(1,570,000)</b>	<b>130,000</b>	<b>130,000</b>			
--	-----------------	--------------------	--------------------	----------------	----------------	--	--	--

## Strategy &amp; Transformation

<b>C3703</b>	<b>Keep Cambridge Moving Fund Contribution [Delete from Plan] [Earmarked Reserves]</b>	(700,000)	0	0	0	0	n/a	Nil
--------------	--	-----------	---	---	---	---	-----	-----

The funds for transport schemes related to A14 mitigation are unlikely to be required until 2020; earmarking the funds so far in advance is not an appropriate use of resources. However the Council is committed to the funding of a £1.5m scheme when planning approvals are considered and a full and detailed options appraisal is complete.

**2015/16 Budget - General Fund****Page 8 of 8**

Reference	Item Description	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	Contact	Climate Effect Rating
-----------	------------------	------------------------	------------------------	------------------------	------------------------	------------------------	---------	-----------------------------

**Capital Bids**

Total Capital Bids in Strategy &amp; Transformation

(700,000)	0	0	0	0
-----------	---	---	---	---

Total Capital Bids

(2,438,000)	7,074,500	(1,516,000)	231,000	605,000
-------------	-----------	-------------	---------	---------

Report Total

(2,438,000)	7,074,500	(1,516,000)	231,000	605,000
-------------	-----------	-------------	---------	---------

Capital Projects Requiring Funding From Reserves

(3 pages)

Appendix D(b)

2015/16 Budget

<----- Funding Required ----->

<----- Project Total ----->

Ref	Project	Climate Change Indicator	Officer Priority	2014/15	2015/16	2016/17	2017/18	2018/19	Member Priority (H/M/L)	Comments / Linked to	2014/15	2015/16	2016/17	2017/18	2018/19
-----	---------	--------------------------	------------------	---------	---------	---------	---------	---------	-------------------------	----------------------	---------	---------	---------	---------	---------

General Fund

C3563	Empty Homes Loan Fund (Reserves or CPO Balance)	+L			200,000					(PPF3564)		200,000			
C3566	Drainage and resurfacing works at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery [R and R]	+L	?									20,000	208,000	208,000	400,000
C3567	Supply and install generator at the Crematorium [R and R]	Nil	?									50,000			
C3620	Buchan St Shopping Area Improvements [County]	Nil										30,000			
C3621	Extension of the Environmental Improvement Programme	Nil	?			170,000	170,000	170,000		(C3623)			170,000	170,000	170,000
C3622	Extension of Joint Cycleways Programme (+4 Years) [County 50%]	+M	?		50,000	50,000	50,000	50,000				100,000	100,000	100,000	100,000
C3623	Minor Highway Improvement Programme	Nil	?		30,000	30,000	30,000	30,000		(C3621)		30,000	30,000	30,000	30,000
C3625	Street lighting/CCTV budget increase	Nil	?		41,500							41,500			
C3664	Commercial Property Acquisition Programme	Nil	H		8,000,000					(118465 P13662 NC13691 C3737)		8,000,000			
C3684	Waste and recycling bins for new developments [Developer Contributions]	+M										78,000	125,000	112,000	100,000
C3693	Additional funding for Clay Farm Community Centre - Phase II [Includes Developer Contributions and Borrowing]	+M										2,160,000			

Capital Projects Requiring Funding From Reserves

(3 pages)

Appendix D(b)

2015/16 Budget

<----- Funding Required ----->

<----- Project Total ----->

Ref	Project	Climate Change Indicator	Officer Priority	2014/15	2015/16	2016/17	2017/18	2018/19	Member Priority (H/M/L)	Comments / Linked to	2014/15	2015/16	2016/17	2017/18	2018/19
C3699	Additional investment in Commercial Property Portfolio [Delete from Plan]	NII		(816,000)	(500,000)					(C3664)	(816,000)	(500,000)			
C3700	Review of Local Centres Improvement Programme [Transfer from Capital Plan to Projects Under Development (PUD)]	NII			(195,000)	(195,000)	(195,000)	(195,000)				(195,000)	(195,000)	(195,000)	(195,000)
C3701	Compulsory Purchase Orders (CPOs) [Delete from Plan] [Usable Capital Receipts]	NII									(400,000)				
C3702	HMOs - Management Orders [Delete from Plan] [Internal Borrowing]	NII									(50,000)				
C3703	Keep Cambridge Moving Fund Contribution [Delete from Plan] [Earmarked Reserves]	NII									(700,000)				
C3704	Refurbishment of Park Street Car Park [Transfer from Capital Plan to Projects Under Development (PUD)]	NII			(1,700,000)	(1,700,000)						(1,700,000)	(1,700,000)		
C3719	Topographical Survey of Multi-Story Car Parks [Close in Plan] [R and R]	NII									(11,000)				
C3720	Vehicle Replacement Programme [Close in Plan] [R & R]	NII									(246,000)				
C3721	In-cab technology for Trade Waste Service [Close in Plan]	NII			(33,000)							(33,000)			
C3722	Energy efficiency improvements to private sector housing [Close in Plan]	NII		(25,000)							(25,000)				
C3723	Corn Exchange Heating Management System [Close in Plan] [R and R]	NII									(20,000)				

Capital Projects Requiring Funding From Reserves

(3 pages)

Appendix D(b)

2015/16 Budget

<----- Funding Required ----->

<----- Project Total ----->

Ref	Project	Climate Change Indicator	Officer Priority	2014/15	2015/16	2016/17	2017/18	2018/19	Member Priority (H/M/L)	Comments / Linked to	2014/15	2015/16	2016/17	2017/18	2018/19
C3724	Kings Hedges Learner Pool Electricity [Close in Plan] [R and R]	NII									(17,000)				
C3725	Cambridge Crematorium - Staff room refurbishment [Close in Plan] [R and R]	NII										(30,000)			
C3726	Localisation of Council Tax - Implementation costs [Close in Plan]	NII		(9,000)							(9,000)				
C3727	Corporate Document Management (DIP & EDRM) [Close in Plan]	NII		(144,000)							(144,000)				
C3728	For East Prisoners of War Commemorative Plaque [External £5k]	NII			10,000							15,000			
C3729	ICT Infrastructure Programme PR020 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]	NII										(90,000)	(160,000)	(110,000)	
C3734	Admin Buildings Asset Replacement Programme PR023 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]	NII										(138,000)	(74,000)	(62,000)	
C3735	Commercial Properties Asset Replacement Programme PR024 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]	NII										(433,000)	(20,000)	(22,000)	
C3736	Public Conveniences PV016 [Transfer from Capital Plan to Projects Under Development (PUD)]	NII			(437,000)							(437,000)			
C3737	Commercial Property Portfolio [Existing Capital Receipts]	NII								(C3664)		515,000			
C3749	Vehicle Fleet Replacement [R & R]	NII										597,000			
<b>Total Funding Required from Reserves : General Fund</b>				<b>(994,000)</b>	<b>5,466,500</b>	<b>(1,645,000)</b>	<b>55,000</b>	<b>55,000</b>			<b>(2,438,000)</b>	<b>7,074,500</b>	<b>(1,516,000)</b>	<b>231,000</b>	<b>605,000</b>



# Appendix D(c)

## Capital Plan 2014/15 to 2019/20

Ref.	Description	Lead Officer	2014/15 (£000's)	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)
<b>Capital-GF Projects</b>								
SC361	Disabled Access and Facilities - Guildhall Halls	S Bagnall	35	0	0	0	0	0
SC362	Lighting and Power in Committee Rooms	A Mejias	14	0	0	0	0	0
SC391	La Mimosa Punting Station	P Doggett	2	0	0	0	0	0
SC410	Mill Road Cemetery	A Wilson	24	0	0	0	0	0
SC416	UNiform e-consultee Access Module	P Boucher	7	0	0	0	0	0
SC423	Recycling Bins for Flats	J Robertson	0	0	0	0	0	0
SC429	Telephony System Upgrade	J Nightingale	50	0	0	0	0	0
SC436	Pye's Pitch Rec Facilities (S106)	I Ross	5	0	0	0	0	0
SC456	Coldhams Common Local Nature Reserve (LNR) (S106)	G Belcher	25	0	0	0	0	0
SC460	Kings Hedges Learners Pool Electricity	I Ross	3	0	0	0	0	0
SC468	Vie Play Area (S106)	A Wilson	0	0	0	0	0	0
SC469	Vie Public Open Space (S106)	A Wilson	33	0	0	0	0	0
SC476	Water Play Area Abbey Paddling Pool (S106)	I Ross	125	0	0	0	0	0
SC477	Coleridge Paddling Pool Enhancement (S106)	I Ross	100	0	0	0	0	0
SC478	Water Play Area Kings Hedges "Pulley" (S106)	I Ross	125	0	0	0	0	0
SC479	Abbey Pool Play Area Facilities (S106)	A Preston	83	0	0	0	0	0
SC492	Jesus Green Play Area (S106)	A Preston	2	0	0	0	0	0
SC500	Trumpington Rec Outdoor Space (S106)	A Wilson	0	0	0	0	0	0
SC506	Replacement Grand Arcade Car Park Pay on Foot Machines	S Cleary	121	0	0	0	0	0
SC507	Visit Cambridge Website	E Thornton	2	0	0	0	0	0
SC512	Hobbs Pavilion Refurbishment (S106)	I Ross	10	0	0	0	0	0
SC524	Cambridge Crematorium - Chapels & Public Areas Refurbishment	T Lawrence	7	0	0	0	0	0
SC525	Cambridge Crematorium - Staff Room Refurbishment	T Lawrence	0	0	0	0	0	0
SC530	Street Cleaning Planning Software	B Carter	15	0	0	0	0	0
SC531	In-cab Technology for Trade Waste Service	M Parsons	0	0	0	0	0	0
SC535	Repairs to Grafton West Car Park	S Cleary	12	0	0	0	0	0
SC539	Metered system for the supply of electricity on the Market	D Ritchie	24	0	0	0	0	0
SC540	Electronic Market Management Software	D Ritchie	9	0	0	0	0	0
SC544	Coleridge Recreation Ground Improvements (S106)	A Wilson	266	0	0	0	0	0
SC548	Southern Connections Public Art Commission (S106)	A Preston	22	18	21	11	21	0
SC551	Stourbridge Common - Riverbank Project	A Wilson	0	0	0	0	0	0
SC552	Localisation of Council Tax - Implementation Costs	A Cole	1	0	0	0	0	0
SC555	Siemens Maintenance Contract	J James	2	0	0	0	0	0
SC560	Guildhall & Corn Exchange Cap Schemes RO AR9	S Bagnall	131	0	0	0	0	0
SC561	Adaptations - Riverside River Banks	A Wilson	3	72	0	0	0	0
SC562	Review - Street & Open Spaces Benches	A Wilson	47	0	0	0	0	0

# Appendix D(c)

## Capital Plan 2014/15 to 2019/20

Ref.	Description	Lead Officer	2014/15 (£000's)	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)
SC563	Corn Exchange Heating Mgt System	S Bagnall	0	0	0	0	0	0
SC567	Purchase of Street Cleansing Vehicles & Plant	B Carter	28	0	0	0	0	0
SC569	Topographical Survey of Multi-Storey Car Parks	S Cleary	2	0	0	0	0	0
SC570	Essential Structural/Holding Repairs - Park Street Multi Storey car park	S Cleary	27	41	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Saunders	20	0	0	0	0	0
SC573	Installation of Air Conditioning units at the Tourist Information Centre	E Thornton	2	0	0	0	0	0
SC574	Essential Repairs to Car Parks	S Cleary	0	165	0	0	0	0
SC577	Underground Investigations at Park St Multi Storey Car Park	P Necus	3	0	0	0	0	0
SC578	Box Office Ticketing Software	N Jones	36	0	0	0	0	0
SC579	Office Accommodation Strategy	F Barratt	403	0	0	0	0	0
SC581	Epilog Upgrade	T Lawrence	11	0	0	0	0	0
SC582	Corn Exchange Front of House Toilets	S Bagnall	7	0	0	0	0	0
SC584	Parker's Piece Lighting Project (S106)	A Preston	28	0	0	0	0	0
SC585	Fleetmaster Software	M Parsons	0	0	0	0	0	0
SC586	Wide Area Network	T Allen	167	0	0	0	0	0
SC587	Telephone payments upgrade & online payments Content Management System (CMS)	J James	17	0	0	0	0	0
SC588	NW Cambridge Development Underground Collection Vehicle	M Parsons	0	210	0	0	0	0
SC589	Grand Arcade Car Park Stairwell Refurbishment	S Cleary	50	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	S Cleary	170	360	15	20	15	0
SC591	Crematorium Data Link	T Lawrence	8	0	0	0	0	0
SC596	Replacement Air Cooling Systems	W Barfield	167	0	0	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donell	0	200	0	0	0	0
SC598	Supply and install generator at the Crematorium	T Lawrence	0	50	0	0	0	0
SC599	Buchan St Shopping Area Improvements	A Preston	0	30	0	0	0	0
SC600	Far East Prisoners of War Commemorative Plaque	A Preston	0	15	0	0	0	0
<b>Capital-GF Projects</b>			<b>2,451</b>	<b>1,161</b>	<b>36</b>	<b>31</b>	<b>36</b>	<b>0</b>
<b>Capital-Programmes</b>								
PR003	City Centre Management Programme	E Thornton	5	0	0	0	0	0
PR010a	Environmental Improvements Programme - North Area	A Preston	117	30	50	50	50	0
PR010b	Environmental Improvements Programme - South Area	A Preston	154	29	36	36	36	0
PR010c	Environmental Improvements Programme - West/Central Area	A Preston	101	66	36	36	36	0
PR010d	Environmental Improvements Programme - East Area	A Preston	118	50	48	48	48	0
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Preston	31	0	0	0	0	0
PR010j	Environmental Improvements Programme - Fitzroy/Burleigh Street	A Preston	0	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	639	597	0	0	0	0
PR020	ICT Infrastructure Programme	J Nightingale	607	170	0	0	0	0
PR023	Admin Buildings Asset Replacement Programme	W Barfield	223	0	0	0	0	0

# Appendix D(c)

## Capital Plan 2014/15 to 2019/20

Ref.	Description	Lead Officer	2014/15 (£000's)	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)
PR024	Commercial Properties Asset Replacement Programme	W Barfield	106	0	0	0	0	0
PR025	New Town Community Development Capital Grants Programme (S106)	T Woollams	20	0	0	0	0	0
PR026	Community Development Grants Programme (S106)	T Woollams	100	0	0	0	0	0
PR027	Replacement of Parks & Open Space Waste/Litter Bins	B Carter	129	75	0	0	0	0
PR028	Litter Bin Replacement Programme	B Carter	144	125	0	0	0	0
PR030a	Increase Biodiversity at Stourbridge Common (S106)	G Belcher	9	0	0	0	0	0
PR030b	Improve Access to Abbey Paddling Pools From Coldham's Common (S106)	A Wilson	10	0	0	0	0	0
PR030d	St Thomas Square Play Area Improvements (s106)	A Wilson	50	0	0	0	0	0
PR030e	Cavendish Rd (Mill Rd end) Imp. seating,paving & public art (s106)	A Preston	38	0	0	0	0	0
PR030f	Bath House Play Area Improvements (s106)	A Wilson	50	0	0	0	0	0
PR030g	East Barnwell Comm. Centre impr. phase 1 (s106)	T Woollams	0	255	0	0	0	0
PR030h	Romsey 'town square' public realm improvements (S106)	A Preston	6	54	0	0	0	0
PR030i	Ross St Community Centre Improvements (s106)	T Woollams	70	0	0	0	0	0
PR031b	BMX track next to Brown's Field Community Centre (S106)	A Wilson	29	0	0	0	0	0
PR031c	Improvements to Nun's Way Skate Park (S106)	A Wilson	56	0	0	0	0	0
PR031d	Chestnut Grove play area improvements (s106)	A Wilson	50	0	0	0	0	0
PR031e	Alexandra Gardens Trim Trail (s106)	A Wilson	35	0	0	0	0	0
PR031f	Buchan St Neighbourhood Centre Improvements (s106)	T Woollams	100	0	0	0	0	0
PR031g	Milton Rd Library Community Meeting Space (s106)	T Woollams	0	100	0	0	0	0
PR031h	Lighting Improvements - Nun's Way multi - use games area (s106)	A Wilson	20	0	0	0	0	0
PR031i	Perse Way Flats Play Area (s106)	A Wilson	25	0	0	0	0	0
PR032a	Conversion of Hanover Court/Princess Court Laundry into Community Meeting Space (S106)	T Woollams	2	0	0	0	0	0
PR032c	Cherry Hinton Recreation Ground Improvements (S106)	A Wilson	44	0	0	0	0	0
PR032e	Accordia Trim Trail & Jnr Scooter Park (s106)	A Wilson	50	0	0	0	0	0
PR032f	Cherry Hinton Baptist Church Family Centre (s106)	T Woollams	63	0	0	0	0	0
PR032g	Cherry Hinton Rec Ground pavilion refurb. (s106)	I Ross	100	0	0	0	0	0
PR032h	Trumpington Bowls Club Pavilion Ext. (s106)	I Ross	70	0	0	0	0	0
PR033a	Benches in Parks & Open Spaces (S106)	A Wilson	20	0	0	0	0	0
PR033b	Access Improvements to Midsummer Common Community Orchard (S106)	A Wilson	5	0	0	0	0	0
PR033c	Public Art element of improvements to the entrances at Histon Rd Rec (S106)	A Preston	40	0	0	0	0	0
PR033f	Histon Rd Rec Ground Improvements (s106)	A Wilson	55	0	0	0	0	0
PR033g	Lammas Land diagonal cycle path solar studs (s106)	A Wilson	3	0	0	0	0	0
PR033h	St Augustine's Church Hall Extension/Upgrade (s106)	T Woollams	100	0	0	0	0	0
PR033i	St Mark's Church Hall - Kitchen / Lobby Extension (s106)	T Woollams	150	0	0	0	0	0
PR034a	Logan's Meadow Local Nature Reserve (LNR) Extension (S106)	G Belcher	139	0	0	0	0	0
PR034b	Paradise Local Nature Reserve (LNR) (S106)	G Belcher	0	0	0	0	0	0

# Appendix D(c)

## Capital Plan 2014/15 to 2019/20

Ref.	Description	Lead Officer	2014/15 (£000's)	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)
PR034c	Drainage of Jesus Green (S106)	A Wilson	82	0	0	0	0	0
PR034d	Public Art - 150th & 400th Anniversary (S106)	A Preston	17	93	0	0	0	0
PR034g	Grant for extension to St Andrew's Hall to provide a dedicated space for a community cafe (S106)	T Woollams	140	0	0	0	0	0
PR034i	Parkside Pool Starting Blocks (s106)	I Ross	21	0	0	0	0	0
PR034k	Netherhall School Cricket Net Improvements (s106)	I Ross	25	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (S106)	J Robertson	85	78	125	112	100	0
PR036	Additional investment in Commercial Property Portfolio	D Prinsep	0	8,515	0	0	0	0
PR037	Local Centres Improvement Programme	A Preston	30	20	0	0	0	0
PR038	Drainage and resurfacing works at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery	T Lawrence	0	20	208	208	400	0
PR039	Minor Highway Improvement Programme	A Preston	0	30	30	30	30	0
<b>Capital-Programmes</b>			<b>4,283</b>	<b>10,307</b>	<b>533</b>	<b>520</b>	<b>700</b>	<b>0</b>
<b>Capital-GF Provisions</b>								
PV007	Cycleways	A Preston	279	240	100	100	100	0
PV016	Public Conveniences	A Preston	500	0	0	0	0	0
PV018	Bus Shelters	A Preston	131	0	0	0	0	0
PV033B	Street Lighting	A Preston	40	42	0	0	0	0
PV163	Compulsory Purchase Orders (CPOs)	R Ray	0	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	39	173	20	0	0	0
PV221b	Lion Yard - Contribution to Works Phase 2	P Doggett	150	300	0	0	0	0
PV282	Kettle's Yard	D Kaye	40	0	0	0	0	0
PV329	Corporate Document Management (DIP & EDRM)	J Nightingale	73	0	0	0	0	0
PV348	Allotment Improvements (S106)	A Wilson	7	0	0	0	0	0
PV386	HMOs - Management Orders	R Ray	0	0	0	0	0	0
PV414	Property Accreditation Scheme	R Ray	2	0	0	0	0	0
PV526	Clay Farm Community Centre - Phase 1 (S106)	A Carter	134	0	0	0	0	0
PV527	Energy efficiency improvements to private sector housing	J Dicks	0	0	0	0	0	0
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	81	88	0	0	0	0
PV532	Cambridge City 20mph Zones Project	A Preston	283	140	0	0	0	0
PV549	City Centre Cycle Parking	A Preston	248	190	0	0	0	0
PV554	Development Of land at Clay Farm	A Carter	1,202	739	327	889	0	0
PV564	Clay Farm Community Centre -Phase 2 (Construction)	A Carter	3,600	6,271	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	D Prinsep	100	375	25	0	0	0
PV594	Green Deal	J Dicks	4,500	1,126	0	0	0	0
PV595	Green Deal - Private Rental Sector	J Dicks	1,500	357	0	0	0	0
<b>Capital-GF Provisions</b>			<b>12,909</b>	<b>10,041</b>	<b>472</b>	<b>989</b>	<b>100</b>	<b>0</b>
<b>Total GF Capital Plan</b>			<b>19,643</b>	<b>21,509</b>	<b>1,041</b>	<b>1,540</b>	<b>836</b>	<b>0</b>

# Appendix D (d)

## Capital Plan – Projects under development list 2014/15 - 2018/19

Ref.	Description	Lead Officer	Indicative cost (£000's)
UD030	Unallocated East Area Committee Developer Contribution Funds (\$106)	T Wetherfield	392.0
UD031	Unallocated North Area Committee Developer Contribution(\$106)	T Wetherfield	230.0
UD032	Unallocated South Area Committee Developer Contribution Funds (\$106)	T Wetherfield	502.0
UD033	Unallocated West Central Area Committee Developer Contribution Funds (\$106)	T Wetherfield	279.0
UD034	Strategic / City - Wide Programme (\$106)	T Wetherfield	85.0
UD534	Refurbishment of Park Street Car Park	S Cleary	3,400.0
UD593	A14 mitigation schemes (previously Keep Cambridge Moving Fund contribution)	S Payne	1,500.0
UD475	Nightingale Recreation Ground Pavilion Refurbishment	I Ross	400.0

<b>Ref.</b>	<b>Description</b>	<b>Lead Officer</b>	<b>Indicative cost (£000's)</b>
not yet allocated	Local Centres Improvement programme - Cherry Hinton High Street	G Richardson	200.0
not yet allocated	Local Centres Improvement programme - Arbury Court	G Richardson	200.0
not yet allocated	Local Centres Improvement programme – location to be agreed	G Richardson	200.0
UD016	Public Conveniences	A Preston	437.0
not yet allocated	Administrative Buildings refurbishment programme	T Burdon	
not yet allocated	Commercial Buildings refurbishment programme	D Prinsep	
not yet allocated	ICT – Telephony upgrade	J Nightingale	
<b>Capital-GF Under Development-Total</b>			<b>7,825.0</b>

# Appendix D (e)

## Capital Plan – Hold List

Ref.	Description	Lead Officer	Indicative cost (£000's)
SC472	Cherry Hinton Hall Phase II	A Wilson	400.0
PR034j	Rouse Ball Pavilion	S Tovell	n/a
<b>Capital-GF Hold List</b>			<b>400.0</b>

# Appendix E

## Earmarked Reserves

### Sharing Prosperity Fund

£000's	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Balance at 1 April</b>	<b>(26.0)</b>	<b>(277.0)</b>	<b>(254.0)</b>	<b>(245.0)</b>	<b>(245.0)</b>
Contributions	(325.0)	-	-	-	-
<b>Total funds available</b>	<b>(351.0)</b>	<b>(277.0)</b>	<b>(254.0)</b>	<b>(245.0)</b>	<b>(245.0)</b>
Budget bids 2014/15 budget	74.0	23.0	9.0	-	-
<b>Balance at 31 March</b>	<b>(277.0)</b>	<b>(254.0)</b>	<b>(245.0)</b>	<b>(245.0)</b>	<b>(245.0)</b>

### Climate Change Fund

£000's	2014/15	2015/16	2016/17	2017/18
<b>Balance at 1 April</b>	<b>(409.7)</b>	<b>(220.2)</b>	-	-
Contributions	-	-	-	-
<b>Total funds available</b>	<b>(409.7)</b>	<b>(220.2)</b>	-	-
Expenditure approvals	62.6	-	-	-
Pending approvals	126.9	220.2	-	-
<b>Balance at 31 March</b>	<b>(220.2)</b>	-	-	-

### A14 Mitigation Fund (formerly 'Keep Cambridge Moving Fund')

£000's	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Balance at 1 April</b>	-	-	-	-	-
Anticipated Contribution	-	-	-	-	(1,500.0)
<b>Total funds available</b>	-	-	-	-	<b>(1,500.0)</b>
Current commitments	-	-	-	-	-
<b>Balance at 31 March</b>	-	-	-	-	<b>(1,500.0)</b>



### Asset Replacement Fund *(formerly Repairs & Renewals funds)*

£000's	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Balance at 1 April</b>	<b>(13,951.1)</b>	<b>(1,020.0)</b>	<b>(2,020.0)</b>	<b>(3,020.0)</b>	<b>(4,020.0)</b>
Contributions	(3,699.9)	-	-	-	-
Contributions - Waste vehicles	-	(500.0)	(500.0)	(500.0)	(500.0)
Contributions - Other fleet vehicles	-	(500.0)	(500.0)	(500.0)	(500.0)
Current commitments	5,824.0	-	-	-	-
<b>Total funds available</b>	<b>(11,827.0)</b>	<b>(2,020.0)</b>	<b>(3,020.0)</b>	<b>(4,020.0)</b>	<b>(5,020.0)</b>
Returned to Reserves	9,387.0	-	-	-	-
Retained for Bereavement Services	440.0	-	-	-	-
Transferred to Arts Trust	100.0	-	-	-	-
Revenue spend to March 2015	880.0	-	-	-	-
<b>Balance at 31 March</b>	<b>(1,020.0)</b>	<b>(2,020.0)</b>	<b>(3,020.0)</b>	<b>(4,020.0)</b>	<b>(5,020.0)</b>

### Efficiency Fund

£000's	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Balance at 1 April</b>	<b>(373.6)</b>	<b>(141.4)</b>	<b>(141.4)</b>	<b>(141.4)</b>	<b>(141.4)</b>
Contributions	-	-	-	-	-
<b>Total funds available</b>	<b>(373.6)</b>	<b>(141.4)</b>	<b>(141.4)</b>	<b>(141.4)</b>	<b>(141.4)</b>
Spend to December 2014	61.0	-	-	-	-
Current commitments	171.2	-	-	-	-
<b>Balance at 31 March</b>	<b>(141.4)</b>	<b>(141.4)</b>	<b>(141.4)</b>	<b>(141.4)</b>	<b>(141.4)</b>

### City Deal Investment and Delivery Fund

£000's	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Balance at 1 April</b>	-	<b>(1,985)</b>	<b>(4,994)</b>	<b>(8,078)</b>	<b>(11,430)</b>
Contributions	(1,985)	(3,009)	(3,085)	(3,352)	(3,652)
<b>Total funds available</b>	<b>(1,985)</b>	<b>(4,994)</b>	<b>(8,078)</b>	<b>(11,430)</b>	<b>(15,081)</b>
Budget Bids	-	-	-	-	-
<b>Balance at 31 March</b>	<b>(1,985)</b>	<b>(4,994)</b>	<b>(8,078)</b>	<b>(11,430)</b>	<b>(15,081)</b>

## New Homes Bonus (NHB) unallocated Fund

£000's	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Balance at 1 April</b>	-	(459)	(1,043)	(1,704)	(2,631)
Contributions	(459)	(585)	(661)	(928)	(39)
Total surplus available	<b>(459)</b>	<b>(1,043)</b>	<b>(1,704)</b>	<b>(2,631)</b>	<b>(2,670)</b>
Budget Bids	-	-	-	-	-
<b>Balance at 31 March</b>	<b>(459)</b>	<b>(1,043)</b>	<b>(1,704)</b>	<b>(2,631)</b>	<b>(2,670)</b>

## Other Earmarked and Specific funds

£000's	Balance at 1 April 2014	Spend to 30 Nov 2014	Current Commitments	Returned to GF Reserves
Revenue contribution to capital	<b>(110.0)</b>	-	-	<b>110.0</b>
Major planning appeals	<b>(135.0)</b>	-	-	<b>135.0</b>
Compulsory Purchase Orders	<b>(222.0)</b>	-	-	<b>222.0</b>
Grand Arcade lease premium	<b>(211.0)</b>	-	-	<b>211.0</b>
Pension Fund earmarked reserve	<b>(985.5)</b>	-	-	<b>985.5</b>
Project facilitation fund	<b>(124.5)</b>	90.5	-	<b>34.0</b>
Rating Revaluation Appeals	<b>(60.0)</b>	55.0	-	<b>5.0</b>
Property Strategy Fund	<b>(103.4)</b>	-	92.2	<b>11.2</b>
Mapping Poverty Research	<b>(7.0)</b>	-	-	<b>7.0</b>
Keep Cambridge Moving Fund	<b>(700.0)</b>	-	-	<b>700.0</b>
Fixed Term Priority Policy Fund	<b>(245.0)</b>	-	110.0	<b>135.0</b>
Council Tax Earmarked for Growth	<b>(468.6)</b>	308.6	-	<b>160.0</b>
<b>Total</b>	<b>(3,372.0)</b>	<b>1,439.6</b>	<b>202.2</b>	<b>2,715.7</b>

# Appendix F - Equality Impact Assessment

## Cambridge City Council Equality Impact Assessment

Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.



The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on evidence and experience. There are guidance notes on the intranet to help you. You can also get advice from Suzanne Goff, Strategy Officer on 01223 457174 or email [suzanne.goff@cambridge.gov.uk](mailto:suzanne.goff@cambridge.gov.uk) or from any member of the Joint Equalities Group.

<b>1. Title of strategy, policy, plan, project, contract or major change to your service:</b>
Budget 2015/16 (General Fund)

# Appendix F - Equality Impact Assessment

## 2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

The General Fund Budget Setting Report enables the City Council to set a balanced budget for 2015/16 that reflects the Council's vision statements and takes into account councillor's priorities in its proposals for achieving the savings required. This EQIA assesses the equality impacts of the General Fund (GF) element of the City Council's budget; a separate EQIA has been completed for the Housing Revenue Account (HRA) element of the Council's budget.

An Equality Impact Assessment (EqIA) has been completed for budget proposals that will result in significant service changes. This EqIA sets out the composite information from these EqIAs. This approach is intended to ensure that elected Members have access to all the relevant information on the equality impact of budget proposals at the point when they are being asked to make a decision. This will enable Members to discharge their Duty under the Equality Act 2010 to consider the equality impacts of decisions.

EqIAs have been developed for the following budget proposals :

**S3614 - Maternity Fund reduction in funding** - Reduced provision of £100k for centralised maternity fund. Services will be asked to fund maternity pay within service budgets in the first instance. A central provision of £75k will be retained by the Head of Finance to assist on a case by case basis where services are unable to cover maternity pay and/or cover arrangements within their overall service budgets. [Draft EQIA maternity fund reduction.doc \[DOC, 322kB\]](#)

**PPF3533 - Funding to contribute to a county-wide Handyperson Service** - It is proposed to replace the existing Safer Homes Scheme, which has been funded temporarily, with a county-wide Handyperson Service, providing small repairs and minor works activity in the homes of older and vulnerable people. The scheme will also contribute to objectives of the Health and Wellbeing Strategy. [EqIA Handyperson - FINAL.doc \[DOC, 318kB\]](#)

**PROG3686 - Reduction in support and central costs through a Council wide Support Services Review** - As the Council moves to other ways of delivering services and our own support service demands reduce, there is a need to balance the books by reducing our support and central costs relating to property, people, technology and other supplies and services. We are undertaking a phased approach to this project as we are at the early stages of developing and implementing alternative service delivery models and the future is uncertain. Phase 1 of this project will focus on removing costs from ICT and transactional finance activity; Phase 2 will focus on removing costs from business support activity and other support functions and Phase 3 will review all remaining areas particularly those required to initially support the Transformation Programme. [Linked to PROG3661] [SSR EqIA 11122015.doc \[DOC, 320kB\]](#)

**URP3714 - Improvement works on Parker's Piece** - Various revenue projects such as cricket pitch improvements, sports pitch improvements, new cycle parking, new fencing, new seats, new bins, new signage and general improvements to Parkers Piece. [EQIA for the Parker Piece proposals.doc \[DOC, 452kB\]](#)

**PROG356 - Savings resulting from the introduction of a self-service voice activated switchboard** - A self-service switchboard solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the switchboard. This will be quicker and more seamless than the current system. The proposal will also release capacity and staff savings in the contact centre and improve call duration times. [EqIA Self Service December 2014.doc \[DOC, 331kB\]](#)

**PROG3558 - Savings resulting from the introduction of a self-service telephony and electronic enquiry services** - A self-service telephony and electronic enquiry services solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the Customer Service Centre and speaking to an advisor. The proposal will release skilled advisors from simple, repetitive calls leading to cashable savings, improved productivity and processing times and increase capacity to deal with the more complex urgent enquiries. [EqIA Electronic switchboard December 2014.doc \[DOC, 326kB\]](#)

# Appendix F - Equality Impact Assessment

## 2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

**X3683 - Rental Support for Cambridge City Foodbank** - Proposal to provide rental support of £14,000 p.a. to Cambridge City Foodbank to enable them to increase their management capability and expand their services locally from their Cambridge base. This is to be funded from the Sharing Prosperity Fund for 2015/16 and 2016/17 after which it will be reviewed. The Foodbank currently operates from Orwell House/Furlong as its base with 6 distribution centres, operating purely through voluntary staff and public/corporate donations. This funding will enable them to develop their services and relieve financial pressure due to uncertain and fluctuating funding sources. [EqIA Cambridge Foodbank 2014 12 17.doc \[DOC, 326kB\]](#)

**X3649 - Free swimming lessons for children, Sharing Prosperity Fund bid** - The project will focus on two groups; a) younger children from low income families and b) children who cannot swim at the key stage 2 assessment point. A term of 12-14 lessons would be offered free-of-charge to identified families or referrals via a voucher redeemed via GLL at Council-run pools. Scheme a) NEW for pre-school and key stage 1 children. Scheme b) Already exists, funded by local public health funding for one year 2014/15. This bid would enable continuation for a further 3 years. [EqIA - Swimming Project bid.doc \[DOC, 412kB\]](#)

**NCL3670 - Please note the following for the Sharing Prosperity Fund** – The £325k contribution to the Sharing Prosperity Fund in 2015/16 will be used to support projects which meet the objectives of the City Council’s Anti-poverty Strategy. The objectives contained in the draft strategy published in October 2015 have been adopted as the interim criteria for the Fund, but these may be subject to change following the outcome of public consultation and the publication of the final strategy in March 2015. The covering report for the Budget Setting Report recommends that the remit for the “Sharing Prosperity Fund” should be amended so that that rather than bids requiring to be made through the budget process, approvals are delegated to the Executive Councillor for Finance and Resources, and can be made during the course of the year as project proposals come forward.

The projects funded using the contribution to the Sharing Prosperity Fund are likely to have a positive income on residents in poverty or living on low incomes, as they will need to support the objectives of the anti-poverty strategy. The specific equality impacts of these projects will be assessed as the projects are developed and bids for funding are made to the Sharing Prosperity Fund during the course of 2015/16.

## 3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

X  Residents

X  Visitors

X  Staff

A specific client group or groups (please state):

# Appendix F - Equality Impact Assessment

## 4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

- X  New
- X  Revised
- X  Existing

## 5. Responsible directorate and service

Directorate: This EqIA report involves cross organisation responsibility and is managed by a team from different departments in the Council – Corporate Strategy and Accounting Services in particular but all teams are responsible for budget items.

## 6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

- No
- X  Yes (please give details):

This is an assessment of the Council's budget and therefore covers all our services. In particular the EqIA considers the equalities impacts of proposals submitted by Arts and Recreation, Community Development, Corporate Strategy, Customer Services, Human Resources, ICT, Refuse and Environment, Specialist Services, Strategic Housing, Streets and Open Spaces, and Tourism and City Centre Management. The budget also affects some of our partnership working, notably with Cambridgeshire County Council, and it has an impact on the voluntary and community sector.

## 7. Potential impact

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

Where applicable:

- Informal consultation will be carried out with staff at both Councils involved.
- Formal consultation with staff will follow if both Councils support the proposed change. This consultation will take place on a number of specific elements of the proposed change over the next six months.
- These EQiAs are working documents. There are two parts of the process. The first stage will be to formally consult staff and unions on the creation of the single shared service and the second stage will be to work through detailed implementation issues which will also be subject to consultation with staff and unions. Throughout these stages the EQiA will be updated.

# Appendix F - Equality Impact Assessment

**(a) Age** (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)

# Appendix F - Equality Impact Assessment

**(a) Age** (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)

**X3649 - Free swimming lessons for children** - Sharing Prosperity Fund bid - The project will focus on two groups; a) younger children from low income families and b) children who cannot swim at the key stage 2 assessment point. A term of 12-14 lessons would be offered free-of-charge to identified families or referrals via a voucher redeemed via GLL at Council-run pools. Scheme a) NEW for pre-school and key stage 1 children. Scheme b) Already exists, funded by local public health funding for one year 2014/15. This bid would enable continuation for a further 3 years. This project could have a positive impact on children to help support confidence and fitness.

**PPF3533 - Funding to contribute to a county-wide Handyperson Service** - It is proposed to replace the existing Safer Homes Scheme, which has been funded temporarily, with a county-wide Handyperson Service, providing small repairs and minor works activity in the homes of older and vulnerable people. The scheme will also contribute to objectives of the Health and Wellbeing Strategy. The service is aimed mainly at people aged 60 and over, to support them to live safely and independently at home, and to help facilitate hospital discharge. This project could have a very positive effect for older people.

**PROG3686 - Reduction in support and central costs through a Council wide Support Services Review** - As the Council moves to other ways of delivering services and our own support service demands reduce, there is a need to balance the books by reducing our support and central costs relating to property, people, technology and other supplies and services. We are undertaking a phased approach to this project as we are at the early stages of developing and implementing alternative service delivery models and the future is uncertain. [Linked to PROG3661]

The age profile of all those post holders that are in scope of the review is concentrated in the 35-44 and 45-54 age groups. For project 1, 35-44, project 2 – 45-54 and project 3 – 35-44 are the predominant age groups. This may result in a disproportionate effect on these age groups. Throughout any proposed selection processes, we will seek to ensure a fair process is undertaken. This EqIA will be reviewed and updated as the review progresses.

**PROG356 - Savings resulting from the introduction of a self-service voice activated switchboard** - A self-service switchboard solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the switchboard. This will be quicker and more seamless than the current system. The proposal will also release capacity and staff savings in the contact centre and improve call duration times.

Younger people are less likely to be adversely affected by this strategy. In general, many young people are thought to be more used to self-service options and confident to navigate through them without difficulty. Older people could be adversely affected by the introduction of this service - this is based on the experience of 2 other local authorities who have implemented the system. An example is that automated options can be difficult for older people to use - however we can mitigate this as there will be a clear option to speak to an advisor if required.

A review of the initiative will take place after 6 months which will look at customer feedback, complaints and performance to establish if the benefits of the initiative have been realised and how our customers are using the service.

**PROG3558 - Savings resulting from the introduction of a self-service telephony and electronic enquiry services** - A self-service telephony and electronic enquiry services solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the Customer Service Centre and speaking to an advisor. The proposal will release skilled advisors from simple, repetitive calls leading to cashable savings, improved productivity and processing times and increase capacity to deal with the more complex urgent enquiries.

Younger people are less likely to be adversely affected by this strategy. In general, many young people are thought to be more used to self-service options and confident to navigate through them without difficulty. Older people could experience a negative impact by the introduction of this service - this is based on the experience of 2 other local authorities who have implemented the system. Older people could be adversely affected by the introduction of this service. Automated options can be difficult for older people to use, if they are hard of hearing they are not able to adjust the volume to hear what the messages are saying. They are also unable to ask clarification questions.

A review of the initiative will take place after 6 months which will look at customer feedback, complaints and performance to establish if the benefits of the initiative have been realised and how our customers are using the service.



# Appendix F - Equality Impact Assessment

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

**PPF3533 - Funding to contribute to a county-wide Handyperson Service** - It is proposed to replace the existing Safer Homes Scheme, which has been funded temporarily, with a county-wide Handyperson Service, providing small repairs and minor works activity in the homes of older and vulnerable people. The scheme will also contribute to objectives of the Health and Wellbeing Strategy. The service is aimed mainly at people aged 60 and over, to support them to live safely and independently at home, and to help facilitate hospital discharge.

The service will be available to people with people with a range of disabilities – including physical, sensory and learning disability, and with mental health issues. It is aimed at supporting them to live safely and independently at home, and to help facilitate hospital discharge. This would mean a positive impact.

**URP3714 - Improvement works on Parker's Piece** - Various revenue projects such as cricket pitch improvements, sports pitch improvements, new cycle parking, new fencing, new seats, new bins, new signage and general improvements to Parkers Piece.

There will be no closures of the diagonal footpaths, with the use a small part of Parker's Piece. It has been agreed to divert the path that runs in front of the University Arms Hotel to ensure that cycle and footpath users remain able to easily pass the site compound. From the sum received for the use of Parkers Piece, improvements will be made to include provision for disabled access. This could mean a positive impact as access could be improved.

**PROG3558 - Savings resulting from the introduction of a self-service telephony and electronic enquiry services** - A self-service telephony and electronic enquiry services solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the Customer Service Centre and speaking to an advisor. The proposal will release skilled advisors from simple, repetitive calls leading to cashable savings, improved productivity and processing times and increase capacity to deal with the more complex urgent enquiries.

Some people with disabilities will not be adversely affected by this strategy. However customers who struggle to converse, or have a physical impairment but need to access information or provide change in circumstances details may prefer to use the self-service option. People with learning disabilities, mental health problems could be adversely affected by the introduction of this service. Automated options can be difficult for people to use if the customer cannot ask clarification questions. To mitigate the impacts, we will review the service regularly and monitor any problems.

# Appendix F - Equality Impact Assessment

## (c) Gender

**PPF3533 - Funding to contribute to a county-wide Handyperson Service** - It is proposed to replace the existing Safer Homes Scheme, which has been funded temporarily, with a county-wide Handyperson Service, providing small repairs and minor works activity in the homes of older and vulnerable people. The scheme will also contribute to objectives of the Health and Wellbeing Strategy. The service is aimed mainly at people aged 60 and over, to support them to live safely and independently at home, and to help facilitate hospital discharge.

Census data indicates that just over half (53%) of people living in households in Cambridge are female, a proportion which increases with age. So more females are likely to use the service than males. The service could have a positive impact as it would allow people to maintain living in their own home.

**PROG3686 - Reduction in support and central costs through a Council wide Support Services Review** - As the Council moves to other ways of delivering services and our own support service demands reduce, there is a need to balance the books by reducing our support and central costs relating to property, people, technology and other supplies and services. We are undertaking a phased approach to this project as we are at the early stages of developing and implementing alternative service delivery models and the future is uncertain. Phase 1 of this project will focus on removing costs from ICT and transactional finance activity; Phase 2 will focus on removing costs from business support activity and other support functions and Phase 3 will review all remaining areas particularly those required to initially support the Transformation Programme. [Linked to PROG3661]

The gender profile for all those post holders that are in scope of the review is predominantly female (71%) which is significantly higher than the overall workforce of 48%. The profile varies for each project. Male is the predominant group in project 1 (63%), and in project 2 and 3 Female is the predominant group with 73% and 83% respectively. Throughout any proposed selection processes we will seek to ensure a fair process is undertaken. This could have a disproportionate negative effect.

# Appendix F - Equality Impact Assessment

## (d) Pregnancy and maternity

**S3614 - Maternity Fund reduction in funding** - Reduced provision of £100k for centralised maternity fund. Services will be asked to fund maternity pay within service budgets in the first instance. A central provision of £75k will be retained by the Head of Finance to assist on a case by case basis where services are unable to cover maternity pay and/or cover arrangements within their overall service budgets. The overall impact should be neutral as although the funding is being cut, service will continue to support pregnant women through their own budgets and there will be a central fund for contingencies.

Impact on services: This policy revision may impact staffing levels within services if there are insufficient funds to manage maternity cover arrangements within existing budgets or the contingency fund, and therefore it may have an indirect impact on service provision. This could affect any service and any category of service user. Services are expected to manage these impacts within their overall service budgets. As indicated above, a contingency budget will be available where it can be shown that this is not possible.

Impacts on staff: The revision may have a higher impact on services with females who take maternity leave. These services may find it more difficult to manage within their overall budgets. However, the contingency budget will be available to assist where there is an unmanageable financial impact on the service.

Impact on job applicants: Recruiting managers may be reluctant to interview candidates and/or offer jobs to candidates who they believe may take maternity / parental leave in the future. However, there are strong HR policies in place to ensure that this does not occur.

Impact on services: This change will initially impact services with female staff who have maternity leave as it relates to the maternity fund. However, with the introduction of shared parental leave from December 2014 partners and fathers will have rights to shared parental leave and pay. The change could then potentially impact on all services regardless of the gender profile of their staff.

To better understand the intentional and unintended impact of this bid, regular reviews will be undertaken.

## (e) Transgender (including gender re-assignment)

No disproportionate has been identified for any of the proposals contained in the 2014/15 Budget Setting Report.

## (f) Marriage and Civil Partnership

No disproportionate has been identified for any of the proposals contained in the 2014/15 Budget Setting Report.

# Appendix F - Equality Impact Assessment

## (g) Race or Ethnicity

**PROG356 - Savings resulting from the introduction of a self-service voice activated switchboard** - A self-service switchboard solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the switchboard. This will be quicker and more seamless than the current system. The proposal will also release capacity and staff savings in the contact centre and improve call duration times.

Some people within the race or ethnicity equalities group could be affected by this initiative. Customers whose first language is not English could be adversely affected by the introduction of this service, however there are options for customers to exit the system and speak to an advisor. Our experience within the CSC has shown that a very small percentage of customers that contact us by telephone are unable to speak English; people generally prefer to seek advice face to face where an interpreter is more easily facilitated.

As this may have a negative effect, a review of the initiative will take place after 6 months which will look at customer feedback, complaints and performance to establish if the benefits of the initiative have been realised and how our customers are using the service.

**PROG3558 - Savings resulting from the introduction of a self-service telephony and electronic enquiry services** - A self-service telephony and electronic enquiry services solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the Customer Service Centre and speaking to an advisor. The proposal will release skilled advisors from simple, repetitive calls leading to cashable savings, improved productivity and processing times and increase capacity to deal with the more complex urgent enquiries.

Some people within the race or ethnicity equalities group could be affected by this initiative. Customers whose first language is not English could be adversely affected by the introduction of this service, however there are options for customers to exit the system and speak to an advisor. Our experience within the CSC has shown that a very small percentage of customers that contact us by telephone are unable to speak English; they prefer to seek advice face to face where an interpreter is more easily facilitated.

As this may have a negative effect, a review of the initiative will take place after 6 months which will look at customer feedback, complaints and performance to establish if the benefits of the initiative have been realised and how our customers are using the service.

## (h) Religion or Belief

No disproportionate has been identified for any of the proposals contained in the 2014/15 Budget Setting Report.

## (i) Sexual Orientation

No disproportionate has been identified for any of the proposals contained in the 2014/15 Budget Setting Report.

# Appendix F - Equality Impact Assessment

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

# Appendix F - Equality Impact Assessment

**(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):**

**X3649 - Free swimming lessons for children**, Sharing Prosperity Fund bid - The project will focus on two groups; a) younger children from low income families and b) children who cannot swim at the key stage 2 assessment point. A term of 12-14 lessons would be offered free-of-charge to identified families or referrals via a voucher redeemed via GLL at Council-run pools. Scheme a) NEW for pre-school and key stage 1 children. Scheme b) Already exists, funded by local public health funding for one year 2014/15. This bid would enable continuation for a further 3 years. This project could have a positive impact on children. There might be a negative impact as people in low income families will need to arrange their own transport to attend the sessions.

**PPF3533 - Funding to contribute to a county-wide Handyperson Service** - It is proposed to replace the existing Safer Homes Scheme, which has been funded temporarily, with a county-wide Handyperson Service, providing small repairs and minor works activity in the homes of older and vulnerable people. The scheme will also contribute to objectives of the Health and Wellbeing Strategy.

Clients will be charged for the service, which has the potential to impact negatively on those on low incomes.

In a survey carried out amongst potential service 90% of respondents county-wide said they would or may be willing to make a contribution towards the cost of jobs carried out. £30 or under was the preferred range, and just under half said that £20 or under would be reasonable. However, a number of people said the level of charge should depend on the job being carried out. These results will be used to inform the proposed charging policy.

However, it has been agreed that the charging policy should include provision for those unable to afford to pay, so that no-one is excluded from receiving the service because they cannot afford it.

**PROG3686 - Reduction in support and central costs** through a Council wide Support Services Review - As the Council moves to other ways of delivering services and our own support service demands reduce, there is a need to balance the books by reducing our support and central costs relating to property, people, technology and other supplies and services. We are undertaking a phased approach to this project as we are at the early stages of developing and implementing alternative service delivery models and the future is uncertain. [Linked to PROG3661]

The salary bands for posts in the scope of the review were assessed and the predominant group in Project 1 is Pay Band 5 (£27,052-£30,851) and in Project 2 and 3 – Pay Band 3 (£19,126 - £22,221). The review may impact upon individual personal circumstances through any case of redundancy. Vacancy management control is in place in order to minimise any potential redundancies

**X3683 - Rental Support for Cambridge City Foodbank** - Proposal to provide rental support of £14,000 p.a. to Cambridge City Foodbank to enable them to increase their management capability and expand their services locally from their Cambridge base. This is to be funded from the Sharing Prosperity Fund for 2015/16 and 2016/17 after which it will be reviewed. The Foodbank currently operates from Orwell House/Furlong as its base with 6 distribution centres, operating purely through voluntary staff and public/corporate donations. This funding will enable them to develop their services and relieve financial pressure due to uncertain and fluctuating funding sources and this should have a positive effect on poverty. Cambridge City Foodbank services are targeted to help people on low income and/or suffering the impacts the poverty. Research undertaken by The Trussell Trust, Oxfam, Child Poverty Action Group and the Church of England identified the following key findings related to food banks:

- Food banks were predominantly a last-resort, short-term measure, prompted by an 'acute income crisis' – something which had happened to completely stop or dramatically reduce their income
- Many food bank users faced multiple challenges, including ill-health, relationship breakdown, mental health problems or substantial caring responsibilities. Many were unable to work or had recently lost their job. The frequency of bereavement among food bank users was also a striking feature of this research.
- In addition to the food bank element, Cambridge City Foodbank also tries to direct people to the most appropriate agencies for additional support.

# Appendix F - Equality Impact Assessment

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

- 123 Budget Bids were received.
- 14 bids have EqlAs
- 14 are due but it is too early for the details of the projects to be assessed for equality impacts.

Many of the bids had no disproportionate impact for the following reasons:

- No or little impact on people – e.g. capital bids
- It was too early to assess the impacts or they had been previously assessed last year and had been to Committee and then were delayed in being implemented – the EqlAs for these bids have been looked at as part of this process and are available [here](#).
- The scale of change was small or process related e.g. small increase in hours for an existing post or internal recharging.

The greatest impacts were on age, pregnancy, maternity, disability, ethnicity and socio economic factors. Positive impacts generally outweighed the negative and were already being mitigated.

All of the EqlAs are available for viewing and can be found here: [here](#).

## 9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to Suzanne Goff, Strategy Officer, who will arrange for it to be published on the City Council's website.

Email [suzanne.goff@cambridge.gov.uk](mailto:suzanne.goff@cambridge.gov.uk)

## 10. Sign off

Name and job title of assessment lead officer: Suzanne Goff – Corporate Strategy

Names and job titles of other assessment team members and people consulted:

Date of completion: 19<sup>th</sup> December 2014

Date of next review of the assessment: 19<sup>th</sup> December 2015

# Appendix F - Equality Impact Assessment

## Action Plan

Equality Impact Assessment title:

Date of completion: 18<sup>th</sup> December 2014

Equality Group	Age
Details of possible disadvantage or negative impact	A few of the projects may have an adverse impact on older people and a few have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

Equality Group	Disability
Details of possible disadvantage or negative impact	A few of the projects may have an adverse impact on people with disabilities and a few have a positive effect
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

Equality Group	Gender
Details of possible disadvantage or negative impact	A few of the projects may have an adverse impact on gender and a few have a positive effect
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015



## Appendix F - Equality Impact Assessment

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	A few of the projects may have an adverse impact on people with disabilities and a few have a positive effect
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

Equality Group	Transgender
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	A few of the projects may have an adverse impact on people with disabilities and a few have a positive effect
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

## Appendix F - Equality Impact Assessment

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

<b>Other factors that may lead to inequality – <u>in particular</u> – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):</b>	
Details of possible disadvantage or negative impact	A few of the projects may have an adverse impact on people with disabilities and a few have a positive effect
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

# Appendix G

## Significant Events

Topic	Indicative Value	2015/16	2016/17	2017/18	2018/19	2019/20
Building Cleaning Contract	n/a	Contract award				
Arts Trust – “Cambridge Live”	£5m	Trust starts trading from 1 April 2015				
Clay Farm Community Centre	£9.2m	Build Phase				
Destination Management Organisation	£1m	DMO starts trading 1 January 2016				
Elections	n/a	7 May 2015 • City • UK Parliament	5 May 2016 • City • Police & Crime	4 May 2017 • County	3 May 2018 • City	2 May 2019 • City • European <i>(date to be confirmed)</i>
National Census	n/a	Census 2011 informs projected future demand for Council services				
Pension Fund Triennial Actuarial Review	+/- 1% is GF c. £220k for 2018/19	First anticipated change in employer contributions resulting from revaluation, additional contributions currently being made to meet anticipated liability				
Spending Review	£8.8m	The budget is based on the 2013 Spending Review and the level of Revenue Support Grant and Locally Retained Non-Domestic Rates are budgeted accordingly. The 2015 Spending Review will be after the forthcoming general election and whilst assumptions are based on current proposals a change in government may see changes to local government funding or spending responsibility.				
VAT Partial exemption	c. £250k if breached	Potential liability if limit is breached over a seven-year moving average				
Shared Services	n/a	Ongoing review of shared service provision with other local authorities including Legal Services, ICT and Building Control. Anticipated start dates from 2015/16 onwards				

# Contacts

Name	Job Title	Telephone
Caroline Ryba	Head of Finance and Section 151 officer	45 8134
Chris Humphris	Principal Accountant (Services)	45 8141
Julia Hovells	Business Manager / Principal Accountant	45 7822
John Harvey	Senior Accountant	45 8143
Jackie Collinwood	Service Accountant	45 8241
Karen Whyatt	Service Accountant	45 8145
Linda Thompson	Service Accountant	45 8144
Richard Wesbroom	Service Accountant	45 8148



# **Council Meeting**

**26 February 2015**

**Agenda Item 5 (a)**

**Budget Papers 2015/16**

**The Executive**

<b>RECOMMENDATION TO COUNCIL (The Executive)</b>
--

**Budget-Setting Report (BSR) 2015/16**

Recommendations of the Executive, which met on 22 January 2015, are set out below (now incorporating amendments which were considered at Strategy and Resources Scrutiny Committee on 13 February 2014) and the resulting effects and financial implications have been incorporated into the **Budget-Setting Report (Version 3 - Council)**. This updates the Budget-Setting Report (Version 1) which originally went to Strategy & Resources Scrutiny Committee on 19 January 2015.

Unless otherwise specified, all references in the recommendations to Appendices, pages and sections relate to the updated version of the Budget-Setting Report (Version 3 - Council). This can be found via the Council agenda page:

<http://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=2495&Ver=4>

**Accordingly, Council is recommended to:**

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

- a) Recommend to Council approval of:
  - Revenue Pressures shown in Appendix B(a) and Savings shown in Appendix B(b).
  - Priority Policy Fund (PPF) Bids as shown in Appendix B(c).
  - Bids to be funded from External or Earmarked Funds as shown in Appendix B(d).
  - Non Cash Limit items as shown in Appendix B(e).
- b) Recommend to Council formally confirm delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) as set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2015/16 as set out in Section 4 [page 26 refers].

*Note that the Cambridgeshire Police and Crime Panel met on 28 January 2015 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority met on 12 February 2015 and Cambridgeshire County Council will meet on 17 February 2015 to consider the amounts in precepts to be issued to the City Council for the year 2015/16. **Appendix A(b) will be updated for the decisions made.***

### Other Revenue:

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- e) Recommend to Council approval of an amendment to the remit for the “Sharing Prosperity Fund” so that the revised remit (changes are underlined) is:

#### **Sharing Prosperity Fund Formal Remit:**

To provide resources to fund fixed-term and one-off projects and proposals that support the interim and final objectives of the council’s Anti-Poverty Strategy, namely:

- 1) Helping people on low incomes to maximise their income and minimise their costs
- 2) Making the move into work easier
- 3) Helping low income families with the cost of raising a child
- 4) Breaking the link between poor health and poverty
- 5) Ensuring that vulnerable older people get the services that they need and reducing the social isolation they can experience
- 6) Helping people with high housing costs and improving the condition of people’s homes
- 7) Working in partnership to tackle wider barriers to employment and engagement (e.g. transport, learning and skills)

In accordance with the Council’s delegation and approval processes outlined in Part 3 Section 9.3 of the Council Constitution, approval of allocations to be made from the Sharing Prosperity Fund will differ depending on the amount of funding requested and whether it is capital or revenue.

Projects costing £15,000 or less will be approved by the Head of Corporate Strategy, subject to endorsement by The Anti-Poverty Strategy Project Board.

Projects costing more than £15,000 will be considered in the first instance by The Anti-Poverty Strategy Project Board and then submitted for approval by the Executive Councillor for Finance and Resources.

Projects over £75,000 will be reviewed at Strategy and Resources Scrutiny Committee before approval, subject to the need to make urgent decisions.

Where a project includes capital spending of more than £15,000, capital approval processes are also required.

**Capital: [Section 7, page 35 refers]**

**Capital Plan:**

- f) Recommend to Council the proposals outlined in Appendix D(a) for inclusion in the Capital Plan, or put on the Projects Under Development or Hold Lists, including any additional use of revenue resources required.

- g) Recommend to Council the revised Capital Plan (***which includes the proposals in the above recommendation***) as set out in Appendix D(c), the Projects Under Development and Hold lists set out in Appendices D(d) and D(e) respectively and the Funding as set out in Section 7, page 41 for the General Fund.

**General Fund Reserves:**

- (i) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 6, report page 34 and Section 8, page 46 refers].





## **Council Meeting**

**26 February 2015**

**Agenda Item 5 (b)**

**Budget Papers 2015/16**

**Liberal Democrat Group Amendment**

<b>RECOMMENDATION TO COUNCIL (Liberal Democrat Amendment)</b>
---

**Budget-Setting Report (BSR) 2015/16**

Recommendations of the Executive, which met on 22 January 2015, are set out below (now incorporating amendments which were considered at Strategy and Resources Scrutiny Committee on 13 February 2014) and the resulting effects and financial implications have been incorporated into the **Budget-Setting Report (Version 3 - Council)**. This updates the Budget-Setting Report (Version 1) which originally went to Strategy & Resources Scrutiny Committee on 19 January 2015 *with Lib Dem amendments in bold italics*.

Unless otherwise specified, all references in the recommendations to Appendices, pages and sections relate to the updated version of the Budget-Setting Report (Version 3 - Council). This can be found via the Council agenda page:

<http://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=2495&Ver=4>

**Accordingly, Council is recommended to:**

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

- a) Recommend to Council, *together with the changes in the attached Lib Dem Budget Amendment to Appendix [B...]*, approval of:
- Revenue Pressures shown in Appendix B(a) and Savings shown in Appendix B(b).
  - Priority Policy Fund (PPF) Bids as shown in Appendix B(c).
  - Bids to be funded from External or Earmarked Funds as shown in Appendix B(d).
  - Non Cash Limit items as shown in Appendix B(e).
- b) Recommend to Council formally confirm delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) as set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2015/16 as set out in Section 4 [page 26 refers].

*Note that the Cambridgeshire Police and Crime Panel met on 28 January 2015 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority met on 12 February 2015 and Cambridgeshire County Council will meet on 17 February 2015 to consider the*

amounts in precepts to be issued to the City Council for the year 2015/16.  
**Appendix A(b) will be updated for the decisions made.**

**Other Revenue:**

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- e) Recommend to Council approval of an amendment to the remit for the “Sharing Prosperity Fund” so that the revised remit (changes are underlined) is:

**Sharing Prosperity Fund Formal Remit:**

To provide resources to fund fixed-term and one-off projects and proposals that support the interim and final objectives of the council’s Anti-Poverty Strategy, namely:

- 1) Helping people on low incomes to maximise their income and minimise their costs
- 2) Making the move into work easier
- 3) Helping low income families with the cost of raising a child
- 4) Breaking the link between poor health and poverty
- 5) Ensuring that vulnerable older people get the services that they need and reducing the social isolation they can experience
- 6) Helping people with high housing costs and improving the condition of people’s homes
- 7) Working in partnership to tackle wider barriers to employment and engagement (e.g. transport, learning and skills)

In accordance with the Council’s delegation and approval processes outlined in Part 3 Section 9.3 of the Council Constitution, approval of allocations to be made from the Sharing Prosperity Fund will differ depending on the amount of funding requested and whether it is capital or revenue.

Projects costing £15,000 or less will be approved by the Head of Corporate Strategy, subject to endorsement by The Anti-Poverty Strategy Project Board.

Projects costing more than £15,000 will be considered in the first instance by The Anti-Poverty Strategy Project Board and then submitted for approval by the Executive Councillor for Finance and Resources.

Projects over £75,000 will be reviewed at Strategy and Resources Scrutiny Committee before approval, subject to the need to make urgent decisions.

Where a project includes capital spending of more than £15,000, capital approval processes are also required.

**Capital:** [Section 7, page 35 refers]

**Capital Plan:**

- f) Recommend to Council the proposals outlined in Appendix D(a), **together with the changes in the attached Lib Dem Budget Amendment to Appendix**

**[D(a)]**, for inclusion in the Capital Plan, or put on the Projects Under Development or Hold Lists, including any additional use of revenue resources required

- g) Recommend to Council the revised Capital Plan (***which includes the proposals in the above recommendation***) as set out in Appendix D(c), the Projects Under Development and Hold lists set out in Appendices D(d) and D(e) respectively, ***together with the changes in the attached Lib Dem Budget Amendment to Appendix [D(a)]***, and the Funding as set out in Section 7, page 41 for the General Fund.

**General Fund Reserves:**

- (i) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 6, report page 34 and Section 8, page 46 refers].
- (ii) ***Replace Appendix F – Equality Impact Assessment with Lib Dem Amendment Appendix F Equality Impact Assessment***

## **Foreword to the Liberal Democrat Group Amendment**

Our major proposition seeks to provide an alternative investment strategy for the Council. Deriving from the review initiated by the last Council of the Repairs and Renewals provision, a significant onetime sum has been released. We would like to see the priority for investment to be the provision of additional housing at below market rent, an area of considerable community need where there are insufficient investors, rather than commercial property where there are many - and where there is little or no intrinsic community value. Based on work carried out so far we believe that our proposal can generate a good financial return to the council. It will naturally be subject to detailed public scrutiny and input as it is developed further by officers.

The city's housing shortage is the single largest structural factor in cost of living challenges in Cambridge. We believe that the Council should be applying its role to address it as a top priority including through the way it invests its funds. It should consider the issue not only as a question of social housing, but of the whole range of housing including intermediate housing, to avoid the city slipping further towards a polarised housing economy.

This scheme would have the benefit of reducing what we consider a financially risky over-concentration of overall investment in commercial property which is inherent in Labour plans.

Our budget amendment slightly reduces the council's requirement to make savings over the next 5 years. But hard decisions for this will still be required, in the main pursuing the directions set by the previous administration. In the meantime we believe that our revisions to the budget accord with what matters to the people of Cambridge.

### **Councillor Tim Bick Leader of Liberal Democrat Group**

The Lib Dem Group budget amendment addresses deficiencies in council services and,

- Marries up financial investment of the council's resources with the community need for housing;
- Listens to the voice of the public by continuing our partnership with the Police and focusing it on recurrent neighbourhood concerns about traffic enforcement;
- Moves the Council closer to its aim of securing the Living Wage for the employees of firms who deliver contracted services to the council;
- Restores much of the cutback to the funding of voluntary organisations which contribute to the council's social objectives;

- Maintains strong Area Committees with planning responsibilities re-instated and without a cutback to the funding for small environmental improvements
- Upholds a completely fair equalities policy inside the council by removing underlying organisational pressure on maternity and parental leave;
- Keeps real people answering callers to the Council, rather than diverting them to a conversation with an automated voice;
- Drops proposals to increase the subsidy for trade union activities and also to increase council PR staffing;
- Reinstates into the capital programme some of the schemes that the public expects, which the Labour administration has dropped.

## Lib Dem Budget Amendment to Appendix [B...]

### 2015/16 Budget - Bids & Savings - GF

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Portfolio
<b>Appendix [B(b) Savings]</b>								
<b>Increased Income</b>								
OPP-II 1	<b>Reduce income from Commercial Property Acquisition Programme.</b> The proposed additional £8m funding will be halved in order to part fund a new Intermediate Housing programme. Links to OPP- CAP 8 [Executive budget item II3665]	0	200,000	200,000	200,000	200,000	Dave Prinsep	Finance & Resources
OPP-II 2	<b>Income from investment in Intermediate Housing programme of £12m.</b> Links to OPP-CAP 1	0	0	(450,000)	(450,000)	(450,000)	Dave Prinsep	Finance & Resources
<b>Total Increased Income</b>		<b>0</b>	<b>200,000</b>	<b>(250,000)</b>	<b>(250,000)</b>	<b>(250,000)</b>		
<b>Programme</b>								
OPP-PROG 1	<b>Abandon introduction of self-service telephony and electronic enquiry services.</b> Delete savings that have been envisaged from this proposal. [Executive budget item PROG3558]	50,000	50,000	50,000	50,000	50,000	Clarissa Norman	Strategy & Transformation
OPP-PROG 2	<b>Abandon introduction of a self-service voice activated switchboard.</b> Delete savings resulting from this. [Executive budget item PROG-3561]	15,000	15,000	15,000	15,000	15,000	Clarissa Norman	Strategy & Transformation
<b>Total Programme</b>		<b>65,000</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>		
<b>Savings</b>								
OPP-S 1	<b>Maintenance of Partnership Funding with Cambridgeshire Constabulary.</b> Delete the proposed ending of financial contribution to Cambridgeshire Constabulary and provide for new negotiation with the Constabulary for the provision of 1 FTE Police Officer dedicated to enforcement against traffic offences (speeding, weight restrictions, dangerous parking around schools) within the city area. [Executive budget item S3528]	51,000	51,000	51,000	51,000	51,000	Lynda Kilkelly	Strategy & Transformation
OPP-S 2	<b>Maternity Funding.</b> Deletion of proposed cutback in Maternity Fund funding [Executive budget item S3614]	100,000	100,000	100,000	100,000	100,000	Caroline Ryba	Non-Committee Items
OPP-S 3	<b>Corporate Information Assistant.</b> Delete the new proposed position of Corporate Information Assistant which is proposed to be funded from a saving in the Corporate Marketing Budget in order to promote the Council in the media.	(17,400)	(17,400)	(17,400)	(17,400)	(17,400)	Andrew Limb	Strategy & Transformation
<b>Total Savings</b>		<b>133,600</b>	<b>133,600</b>	<b>133,600</b>	<b>133,600</b>	<b>133,600</b>		
<b>Appendix [B(c) PPF]</b>								
OPP-PPF 1	<b>Payment of the Living Wage to external staff operating Council contracts</b> To incentivise payment of the Living Wage to those employees of external contractors who provide services within or on behalf of the Council; seeking a contributory approach with the aim of achieving this during the forthcoming financial year by negotiation as appropriate	30,000	20,000	10,000	0	0	Debbie Kaye	Community, Arts & Recreation
OPP-PPF 2	<b>Restore local planning to area committees</b> Restore local planning to area committees so that decisions can be taken by local members and residents are more easily able to attend.	3,400	3,400	3,400	3,400	3,400	Patsy Dell	Planning Policy & Transport
OPP-PPF 3	<b>Restore funding for grants to voluntary organisations.</b> This provision reduces the proposed cutback from 25% to 10% from 16/17, based on the recent consultation exercise and the experience of the 2015/16 bidding round. In 2015/16 the budgeted "Transition Funding" of £75,000 will be supplemented to enable a further interim bidding round.	25,000	180,000	180,000	180,000	180,000	Debbie Kaye	Community, Arts & Recreation
OPP-PPF 4	<b>Project Delivery Officer.</b> Appointment of an additional fixed term Project Delivery Officer to increase capacity in implementation of capital projects; to focus on removal of the backlog in Environmental Improvement schemes. Links to OPP-CAP 6	45,000	45,000	0	0	0	Joel Carré	City Centre & Public Places
OPP-PPF 5	<b>Increase in paid time-off for Trade Union Branch Secretaries.</b> Delete proposed additional publicly paid time-off for Trade Union branch secretaries, which would be significantly more generous than other local authorities relative to the size of our organisation. [Executive budget item PPF3706]	(34,500)	(34,500)	(34,500)	(34,500)	(34,500)	Deborah Simpson	Finance & Resources
<b>Total PPF</b>		<b>68,900</b>	<b>213,900</b>	<b>158,900</b>	<b>148,900</b>	<b>148,900</b>		
<b>Appendix [B(e) Non-Cash Limit]</b>								
OPP-NCL 1	<b>Invest for Income Fund.</b> Delete Creation of an Invest for Income Fund. Links to OPP-NCL 2 [Executive budget item NCL3696]	(6,500,000)	(1,000,000)	(500,000)	0	0	Caroline Ryba	Finance & Resources
OPP-NCL 2	<b>Increase DRF to Capital to part-fund Intermediate Housing programme.</b> Links to OPP-CAP 1	6,500,000	1,000,000	500,000	0	0	Caroline Ryba	Finance & Resources
<b>Total PPF</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>All Portfolios - Net Impact of Lib Dem Amendment</b>		<b>267,500</b>	<b>612,500</b>	<b>107,500</b>	<b>97,500</b>	<b>97,500</b>		

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

## 2015/16 Budget - Capital Bids - GF

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Portfolio
<b>All GF Portfolios</b>								
<b>Capital</b>								
	<b>Intermediate Housing Programme.</b>							
	To invest £12m from the General Fund in building Intermediate Housing at 80% of market rent, providing an estimated return over the first 10 years of 3.75% and average 5.5% over 30 years, based on use of land already in the ownership of the city council's general fund. Preparation of the programme to include evaluation of the potential to carry this out through an arms length vehicle jointly with the University of Cambridge and other local councils and investment institutions. Links to OPP-II 2, OPP-NCL 2 and OPP-CAP 8							
OPP-CAP 1		10,500,000	1,000,000	500,000	0	0	Alan Carter	Finance & Resources
	<b>Nightingale Recreation Ground Pavilion refurbishment.</b>							
	Re-instate scheme in the Capital Plan. Business case and project plan to be developed and to be in place for approval at BSR ahead of year of implementation. Funding to exploit relevant available developer contributions for outdoor sports and community facilities.							
OPP-CAP 2		0	400,000	0	0	0	Debbie Kaye	Community, Arts & Recreation
	<b>Jesus Green Pavilion.</b> Re-instate scheme in the Capital Plan. To improve the facilities provided by the current Rouse Ball Pavilion, including upgraded public conveniences for users of the Green and do so in combination with enhancement of facilities at the Jesus Green Pool. Business case and project plan to be developed and in place for approval at BSR ahead of year of implementation. Funding to exploit relevant and available developer contributions for outdoor sports and community facilities and any external sources, including British Swimming.							
OPP-CAP 3		0	500,000	250,000	0	0	Debbie Kaye	Community, Arts & Recreation
	<b>Public Conveniences.</b>							
	Re-instate scheme in the Capital Plan. Business case and project plan to be developed and in place for approval at BSR ahead of year of implementation. [Executive budget item C3736]							
OPP-CAP 4		0	437,000	0	0	0	Simon Payne	Environment, Waste & Public Health
	<b>Local Centres Improvement Programme.</b>							
	Re-instate programme in the Capital Plan. To include Cherry Hinton High Street, Arbury Court and Mitcham's Corner. Business cases and project plans to be in place for approval at BSR ahead of year of implementation. [Executive budget item C3700]							
OPP-CAP 5		0	195,000	195,000	195,000	195,000	Joel Carré	City Centre & Public Places
	<b>Extension of Environmental Improvement Programme.</b>							
	Re-instate proposed removal of provision in 2015/16 and restore £30,000 removed for Minor Highway Improvement Programme which would be funded at the discretion of Area Committees from their total EIP programme budget. Scheme backlog to be addressed through proposal OPP-PPF 4 in addition to ongoing organization and process redesign. [Executive budget item C3621]							
OPP-CAP 6		200,000	30,000	30,000	30,000	30,000	Joel Carré	City Centre & Public Places
	<b>Minor Highways Improvement Programme.</b>							
	Avoid centralisation of decisions away from area committees and re-incorporate with Environmental Improvement Programme funding under Area Committee discretion. Links to OPP-CAP 6. [Executive budget item C3623]							
OPP-CAP 7		(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	Andy Preston	Planning Policy & Transport
	<b>Commercial Property Acquisition Programme.</b>							
	Reduction in proposed additional investment in commercial property by 50%. [Executive budget item C3664]							
OPP-CAP 8		(4,000,000)	0	0	0	0	Dave Prinsep	Finance & Resources
<b>All Portfolios Total</b>		<b>6,670,000</b>	<b>2,532,000</b>	<b>945,000</b>	<b>195,000</b>	<b>195,000</b>		





## Cambridge City Council Equality Impact Assessment

Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.

The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on evidence and experience. There are guidance notes on the intranet to help you. You can also get advice from Suzanne Goff, Strategy Officer on 01223 457174 or email [suzanne.goff@cambridge.gov.uk](mailto:suzanne.goff@cambridge.gov.uk) or from any member of the Joint Equalities Group.

<b>1. Title of strategy, policy, plan, project, contract or major change to your service:</b>
---

Budget Setting Report 2015/16 (General Fund) – Opposition Amendments
--

<b>2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?</b>
---

<p>The General Fund Budget Setting Report enables the City Council to set a balanced budget for 2015/16 that reflects the Council's vision statements and takes into account councillor's priorities in its proposals for achieving the savings required.</p>
---

<p>This EQIA assesses the equality impacts of the amendments proposed by the Liberal Democrat Group in relation to the budget.</p>
--

<p>It should be noted that a fuller assessment for each of the proposed amendments should be carried out with more detailed information when it becomes available.</p>
--

<p>This Equality Impact Assessment (EqIA) is a composite assessment of the budget proposals which are likely to have a significant impact. Some of the proposals have a full EqIA already and where these have been available, they have been considered as part of this assessment.</p>
--

## 2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service? Continued..

Here is the list of Liberal Democrat budget amendment proposals that may have significant equality impacts.

### **Revenue Amendments:**

- **OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts.** To incentivise payment of the Living Wage to those employees of external contractors who provide services within or on behalf of the Council; seeking a contributory approach with the aim of achieving this during the forthcoming financial year by negotiation as appropriate
- **OPP-PPF 2: Restore local planning to area committees.** Restore local planning to area committees so that decisions can be taken by local members and residents are more easily able to attend.
- **OPP-PPF 3: Restore funding for grants to voluntary organisations.** This provision reduces the proposed cutback from 25% to 10% from 16/17, based on the recent consultation exercise and the experience of the 2015/16 bidding round. In 2015/16 the budgeted "Transition Funding" of £75,000 will be supplemented to enable a further interim bidding round.
- **OPP-PROG 1: Abandon introduction of self-service telephony and electronic enquiry services.** Delete savings that have been envisaged from this proposal.[Executive budget item PROG3558]
- **OPP-PROG 2: Abandon introduction of a self-service voice activated switchboard.** Delete savings resulting from this.[Executive budget item PROG-3561]
- **OPP-S 2: Maternity Funding. Deletion of proposed cutback in Maternity Fund funding** [Executive budget item S3614]
- **Capital Amendments:**
- **OPP-CAP 1: Intermediate Housing Programme.** To invest £12m from the General Fund in building Intermediate Housing at 80% of market rent, providing an estimated return over the first 10 years of 3.75% and average 5.5% over 30 years, based on use of land already in the ownership of the city council's general fund. Links to OPP-II 2, OPP-NCL 2 and OPP-CAP 8
- **OPP-CAP 5: Local Centres Improvement Programme.** Re-instate programme in the Capital Plan. To include Cherry Hinton High Street, Arbury Court and Mitcham's Corner.
- **OPP-CAP 2: Nightingale Recreation Ground Pavilion refurbishment.** Re-instate scheme in the Capital Plan. Funding to make best use of relevant available developer contributions for outdoor sports and community facilities

**2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service? Continued..**

- **OPP-CAP 4: Public Conveniences.** Re-instate scheme in the Capital Plan. Business case and project plan to be developed and in place for approval at BSR ahead of year of implementation.[Executive budget item C3736]
- **OPP-CAP 3: Jesus Green Pavilion.** Re-instate scheme in the Capital Plan. To improve the facilities provided by the current Rouse Ball Pavilion, including upgraded public conveniences for users of the Green and do so in combination with enhancement of facilities at the Jesus Green Pool. Business case and project plan to be developed and in place for approval at BSR ahead of year of implementation. Funding to exploit relevant and available developer contributions for outdoor sports and community facilities and any external sources, including British Swimming.
- **OPP-CAP 6: Extension of Environmental Improvement Programme.** Re-instate proposed removal of provision in 2015/16 and restore £30,000 removed for Minor Highway Improvement Programme which would be funded at the discretion of Area Committees from their total EIP programme budget. Scheme backlog to be addressed through proposal OPP-PPF 4 in addition to ongoing organization and process redesign.[Executive budget item C3621]

**3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)**

- X Residents
- X Visitors
- X Staff

**4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)**

- X  New
- Revised
- Existing

**5. Responsible directorate and service?**

Directorate: Resources

Service: Accounting Services

This EqIA report involves cross organisation responsibility and is managed by a team from different departments in the Council – Corporate Strategy and Accounting Services in particular.

**6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?**

No

X Yes (please give details):

This is an assessment of the Council's budget and therefore covers all our services. In particular the EqlA considers the equalities impacts of proposals submitted by Community Development, Corporate Strategy, Customer Services, Human Resources, Refuse and Environment, Specialist Services, Strategic Housing, Streets and Open Spaces, and Tourism and City Centre Management. The budget also affects some of our partnership working, notably with Cambridgeshire County Council, and it has an impact on the voluntary and community sector.

**7. Potential impact?**

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

- This EqlA is a working document and as such, gives a snap shot of the potential impacts at the time of writing. EqlAs should be regularly reviewed to understand whether the assessment of the impacts anticipated is still relevant and to address any new issues that have arisen in the interim.

**(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)**

**Revenue Amendments**

**OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts.**

There are likely to be a significant number of young and older people in part-time, low-paid employment.

Younger and older workers are significantly more likely to fall below low pay and living wage thresholds than are those aged between 31 and 55.

**(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)**

**OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts cont...**

According to the Resolution Foundation report *Low Pay Britain 2014*, (based on analysis of the Office for National Statistics (ONS) *2013 New Earnings Survey Data Panel Data* combined with the ONS *2013 Annual Survey of Hours and Earnings*):

- 81% of employees aged 20 and under (0.9 million young people) were low paid
- 40% of employees aged 21-25 (another 0.9 million young people) were low paid
- 35% of employees aged 16-20 were in extreme low pay jobs, accounting for 84% of the total number of people in extreme low pay
- 21% of workers aged 61-55 were low paid (0.2 million people)
- 33% of employees aged 66 and above were low paid (0.1 million people).

So this proposal is likely to have a positive impact on young people.

**OPP-PPF 2: Restore local planning to area committees:** Moving planning decisions back to area committee meetings held in community venues from central planning committees held in the Guildhall could have both positive and negative impacts for different age groups. There could be a potential positive impact from this proposal for some people with mobility issues, including some older people, who might find it more difficult to travel from the area in which they live into the centre of the City to attend meetings.

However, there could also be negative impacts for some people who have mobility issues, including some older people, as the Guildhall is located in the centre of Cambridge, which is arguably the most accessible part of Cambridge by public transport. The Guildhall is also an accessible public building, set up and fully equipped for meetings to take place.

**OPP-PPF 3: Restore funding for grants to voluntary organisations. This provision reduces the proposed cutback from 25% to 10% from 16/17, based on the recent consultation exercise and the experience of the 2015/16 bidding round.**

In trying to establish what the potential impacts might be on older or younger people, the data for 2014/2015 applications for grants round helps to give some context as to who might be most affected by this proposal.

- In this grants round, 153 applications were received from 101 different groups / organisations.
- This compares with 196 applications from 125 different groups / organisations from 2013

There were 25 bids received in the age category and 19 were funded - so this might suggest any increase in funding would have a positive impact for older and younger people.

**(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults) cont..**

Equality strand	No of Bids	Recommended for full / some funding	Not recommended for any funding
Age	25	19	6
BAME	32	30	2
Disability	27	21	6
Gender	6	4	2
Pregnancy & Maternity	0	0	0
Transgender	0	0	0
Marriage & Civil Partnership	0	0	0
Race & Ethnicity	0	0	0
Religion & Belief	0	0	0
Sexual Orientation	5	4	1
Low Income / Poverty	10	10	0
Umbrella / Cross-Cutting	30	29	1
Non-Specific	18	0	18
<b>Total</b>	<b>153</b>	<b>117</b>	<b>36</b>

Table of grants allocations for 2014/2015 – see [EqIA for the Grants Review December 2014](#)

**OPP-PROG 1: Abandon introduction of self-service telephony and electronic enquiry services. [Executive budget item PROG3558] and OPP-PROG 2: Abandon introduction of a self-service voice activated switchboard. [Executive budget item PROG-3561]** Delete savings resulting from this.

Customer Services looked at case studies from two other local authorities implementing similar systems. From the anecdotal evidence, some older people might experience a negative impact by the introduction of this service. Automated options can be difficult for older people to use, if they are hard of hearing they are not able to adjust the volume to hear what the messages are saying or if they feel they are unable to ask clarification questions. So the abandonment of both of these proposals may have positive impact for some older people.

However, subsequent EqIA assessments could be strengthened by looking at customer feedback, complaints and performance to establish the benefits of the current system versus the new system.

### Capital Amendments

**OPP-CAP 5: Local Centres Improvement Programme.** Improvements in local areas might provide improvements in the appearance and usability of particular spaces in the City. This could have a positive impact for young people and for older people in terms of accessibility and community safety – for example improving paving and making the area more attractive.

**(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)**

**OPP-CAP 2: Nightingale Recreation Ground Pavilion refurbishment. OPP-CAP 3: Jesus Green Pavilion and Re-instate scheme in the Capital Plan.** Reinstating these bids could provide improvements to facilities and public provision and therefore might provide some positive impact for young and older people. Further details would need to be considered to fully understand the impact.

**OPP-CAP 3: Jesus Green Pavilion.** Re-instate scheme in the Capital Plan. Reinstating these bids could provide improvements to facilities and public provision and therefore might provide some positive impact for young and older people. Further details would need to be considered to fully understand the impact.

**OPP-CAP 4: Public Conveniences.** The Silver Street toilets are built into the bridge over the River Cam. Male and female toilets are below ground and are accessed via set of steps. The large disabled toilet is positioned above ground. The toilets were originally constructed in 1985 and have only had minor improvements since and their standard is far below what is expected.

The proposal is to build a bespoke, lightweight, standalone structure above ground. This would provide an easy access for disabled and ambulant disabled users, as well as parents with toddlers and reduce congestion on the access steps. The existing disabled toilet would need to be demolished to provide a space for a new standalone unit.

This would have a positive impact for older people and very young people.

**OPP-CAP 6: Extension of Environmental Improvement Programme.** Re-instate proposed removal of provision in 2015/16 and restore £30,000 removed for Minor Highway Improvement.

Reinstating these bids could provide improvements to facilities and public provision and therefore might provide some positive impact for young and older people. Further details would need to be considered to fully understand the impact.

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

**Revenue Amendments**

**OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts.**

There is likely to be positive implications for people with disabilities who are employed in low-paid jobs.

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

## **Revenue Amendments continued..**

### **OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts continued...**

There is likely to be positive implications for people with disabilities who are employed in low-paid jobs.

In August 2013, Nottinghamshire County Council carried out a study of employees paid below the living wage rate (2,211 workers in total). 3.22% of these employees declared they had a disability, which was slightly higher than the workforce overall (2.88%). Therefore it seems that the proportion of employees with a disability is slightly higher among workers paid below the living wage rate. It will depend on the profile of people with disabilities in the given services workforce.

It is anticipated that a proportion of people with disabilities should benefit from this proposal.

**OPP- PPF 2: Restore local planning to area committees:** Moving planning decisions back to area committee meetings held in community venues from a central planning committee held in the Guildhall could have both positive and negative impacts for different people with different types of disabilities. There could be a potential positive impact from this proposal for some people with mobility issues, including some less mobile people or those who find it difficult to come into the City for social reason such as some people with mental health issues , who might find it more difficult to travel from the area in which they live into the centre of the City to attend meetings.

However, there could also be negative impacts for some people who have mobility issues, including some older people, as the Guildhall is located in the centre of Cambridge, which is arguably the most accessible part of Cambridge by public transport. The Guildhall is also an accessible public building, set up and fully equipped for meetings to take place.

**OPP-PPF 3: Restore funding for grants to voluntary organisations. This provision reduces the proposed cutback from 25% to 10% from 16/17, based on the recent consultation exercise and the experience of the 2015/16 bidding round.**

- In this grants round, 153 applications were received from 101 different groups / organisations.
- This compares with 196 applications from 125 different groups / organisations from 2013

There were 27 bids received in the age category and 21 were funded - so this might suggest any increase in funding would have a positive impact people with disabilities.



Equality strand	No of Bids	Recommended for full / some funding	Not recommended for any funding
Age	25	19	6
BAME	32	30	2
Disability	27	21	6
Gender	6	4	2
Pregnancy & Maternity	0	0	0
Transgender	0	0	0
Marriage & Civil Partnership	0	0	0
Race & Ethnicity	0	0	0
Religion & Belief	0	0	0
Sexual Orientation	5	4	1
Low Income / Poverty	10	10	0
Umbrella / Cross-Cutting	30	29	1
Non-Specific	18	0	18
<b>Total</b>	<b>153</b>	<b>117</b>	<b>36</b>

Table of grants allocations for 2014/2015 – see [EqIA for the Grants Review December 2014](#)

**OPP-PROG 1: Abandon introduction of self-service telephony and electronic enquiry services. [Executive budget item PROG3558] and OPP-PROG 2: Abandon introduction of a self-service voice activated switchboard. [Executive budget item PROG-3561]** Delete savings resulting from this.

Customer Services looked at case studies from two other local authorities implementing similar systems. From the anecdotal evidence, some people with disabilities might experience a negative impact by the introduction of this service. Automated options can be difficult for some people with disabilities to use, for example some people with a learning difficulty or if they are hard of hearing – may not be able to adjust the volume to hear what the messages are saying or if they feel they are unable to ask clarification questions. Therefore dropping this proposal would have a positive for some people.

Some people with disabilities may also experience a negative impact by the removal of this service. Customers who struggle to converse, or have a physical impairment but need to access information or provide change in circumstances details may prefer to use the self-service option. Some people mental health problems could be negatively affected by the removal of this service if they prefer to limit speaking to a person. So there are both potential positive and negative impacts for both of these proposals.

### Capital Amendments

**OPP-CAP 2: Nightingale Recreation Ground Pavilion refurbishment. OPP-CAP 3: Jesus Green Pavilion and Re-instate scheme in the Capital Plan.** The reinstating these bids could provide improvements to facilities and public provision and therefore might provide some positive impacts for people with disabilities in terms of improving accessibility.

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

**OPP-CAP 3: Jesus Green Pavilion.** Re-instate scheme in the Capital Plan.

Improved facilities including upgraded public conveniences for users of the Green and the enhancement of facilities at the Jesus Green Pool could provide a positive impact for people with disabilities by improving access within these facilities..

**OPP-CAP 4: Public Conveniences.** The Silver Street toilets are built into the bridge over the River Cam. Male and female toilets are below ground and are accessed via set of steps. The large disabled toilet is positioned above ground. The toilets were originally constructed in 1985 and have only had minor improvements since and their standard is far below what is expected.

The proposal is to build a bespoke, lightweight, standalone structure above ground. This would provide an easy access for disabled and ambulant disabled users, as well as parents with toddlers and reduce congestion on the access steps. The existing disabled toilet would need to be demolished to provide a space for a new standalone unit.

This could have a positive impact for people with disabilities. More details would be needed for the capital proposals if they progress in order to assess the full impact.

**OPP-CAP 5: Local Centres Improvement Programme.** Improvements in local areas might provide improvements in the appearance and usability of particular spaces in the City. This bid could provide improvements in the appearance and usability of particular spaces in the City. This could have a positive impact for people with disabilities in terms of accessibility and community safety – for example improving paving.

**OPP-CAP 6: Extension of Environmental Improvement Programme.** This bid could provide improvements in the appearance and usability of particular spaces in the City. This could have a positive impact for people with disabilities in terms of accessibility and community safety – for example improving paving.

**(c) Gender**

**Revenue Amendments**

**OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts.**

If this proposal is successful, it should benefit women more than men as proportionately more women have low-paid part-time jobs.

## (c) Gender

### Revenue Amendments:

#### **OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts continued..**

In addition, in Cambridge the percentage of female employees in the lowest 4 occupations (32.4%) is higher than the percentage of male employees (26.1%) - Source: Nomis Official labour market statistics, report DC6601EW – Residents in Cambridge Occupation by sex.

According to the Resolution Foundation report *Low Pay Britain 2014*,

- 3.2 million women were low paid in 2013
- 27% of female workers earned below the low pay threshold, compared with 17% of male workers
- Extreme low pay was relatively low in both instances (at 2%), but female workers were slightly more likely to find themselves in this position.
- The level of impact will depend on the female profile in the workforce.

**OPP-PPF 2: Restore local planning to area committees:** There are no specific gender implications from this proposed change. Attending may be more difficult if individuals who have primary childcare or caring responsibilities and have to travel into Cambridge to attend meetings.

**OPP-PPF 3: Restore funding for grants to voluntary organisations. This provision reduces the proposed cutback from 25% to 10% from 16/17, based on the recent consultation exercise and the experience of the 2015/16 bidding round.** There might be a positive impact from a greater amount of funding being available but the grant data is broken into a number of headings, including one titled 'gender'. However, without further clarification, it is unclear how many of the 'gender' applications, of which there were 6, relate to which genders. 4 were funded in total. Gender applications were less well represented in the overall grants scheme.

Equality strand	No of Bids	Recommended for full / some funding	Not recommended for any funding
Age	25	19	6
BAME	32	30	2
Disability	27	21	6
Gender	6	4	2
Pregnancy & Maternity	0	0	0
Transgender	0	0	0
Marriage & Civil Partnership	0	0	0
Race & Ethnicity	0	0	0
Religion & Belief	0	0	0
Sexual Orientation	5	4	1
Low Income / Poverty	10	10	0
Umbrella / Cross-Cutting	30	29	1
Non-Specific	18	0	18
<b>Total</b>	<b>153</b>	<b>117</b>	<b>36</b>

Table of grants allocations for 2014/2015 – see [EqIA for the Grants Review December 2014](#)

## (c) Gender

### Revenue Amendments continued:

#### **OPP-S 2: Maternity Funding. Deletion of proposed cutback in Maternity Fund funding** [Executive budget item S3614]

Impact on services: The reduction in maternity funding may impact staffing levels within services if there are insufficient funds to manage maternity cover arrangements within existing budgets or the contingency fund, and therefore it may have an indirect impact on service provision.

Impacts on staff: The reduction may have a higher impact on services with females who take maternity leave. These services may find it more difficult to manage within their overall budgets. However, a contingency budget will be available to assist where there is an unmanageable financial impact on the service.

Impact on job applicants: Recruiting managers may be reluctant to interview candidates and/or offer jobs to candidates who they believe may take maternity / parental leave in the future. However, there are strong HR policies in place to ensure that this does not occur.

To better understand the intentional and unintended impact of this bid, regular reviews will need to be undertaken but there may be an overall positive impact from this proposal.

### Capital Amendments

**OPP-CAP 4: Public Conveniences.** The Silver Street toilets are built into the bridge over the River Cam. Male and female toilets are below ground and are accessed via set of steps. The large disabled toilet is positioned above ground. The toilets were originally constructed in 1985 and have only had minor improvements since and their standard is far below what is expected.

The proposal is to build a bespoke, lightweight, standalone structure above ground. This would provide an easy access parents with toddlers and make passage on the access steps safer and therefore could have a positive impact.(This would also apply to other people with caring responsibilities)

## (d) Pregnancy and maternity

### Revenue Amendments:

#### **OPP-S 2: Maternity Funding. Deletion of proposed cutback in Maternity Fund funding** [Executive budget item S3614]

Impact on services: The reduction in maternity funding may impact staffing levels within services if there are insufficient funds to manage maternity cover arrangements within existing budgets or the contingency fund, and therefore it may have an indirect impact on service provision.

## Revenue Amendments continued:

### **OPP-S 2: Maternity Funding. Deletion of proposed cutback in Maternity Fund funding** [Executive budget item S3614] continued..

Impacts on staff: The reduction may have a higher impact on services with females who take maternity leave. These services may find it more difficult to manage within their overall budgets. However, a contingency budget will be available to assist where there is an unmanageable financial impact on the service.

Impact on job applicants: Recruiting managers may be reluctant to interview candidates and/or offer jobs to candidates who they believe may take maternity / parental leave in the future. However, there are strong HR policies in place to ensure that this does not occur.

Impact on services: This change will initially impact services with female staff who have maternity leave as it relates to the maternity fund. However, with the introduction of shared parental leave from December 2014 partners and fathers will have rights to shared parental leave and pay. The change could then potentially impact on all services regardless of the gender profile of their staff.

There may be an overall positive impact from this proposal.

## **(e) Transgender** (including gender re-assignment)

### **Capital Amendments**

**OPP-CAP 4: Public Conveniences.** The Silver Street toilets are built into the bridge over the River Cam. Male and female toilets are below ground and are accessed via set of steps. The large disabled toilet is positioned above ground. The toilets were originally constructed in 1985 and have only had minor improvements since and their standard is far below what is expected. The proposal is to build a bespoke, lightweight, standalone structure above ground.

In recent research looking into the needs of the LGBT&Q communities, it was identified that some transgender or people identifying as non binary do not feel safe or comfortable in the City and that toilet facilities are often gendered. This might provide an opportunity to look at how to create public conveniences that help transgender residents and visitors to feel more comfortable. The research is available here: [Cambridge LGBTQ-Needs-Assessment 2014](#)

So this proposal and any other proposals relating to toilets or to community safety may have a positive impact if the opportunity is taken to consider the needs of the Transgender communities..

## **(f) Marriage and Civil Partnership**

No disproportionate impacts have been identified

## (g) Race or Ethnicity

### Revenue Amendments:

#### **OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts.**

People from black or minority ethnic backgrounds are heavily represented in some low paid employment sectors. Many agency workers in unskilled and low paid work are from minority racial groups. In Cambridge City, Census data 2011 shows that in the lowest 4 occupations, the percentages of Black; Bangladeshi; Traveller groups were significantly higher (42.9%; 58.2%; 52.3% respectively); and Pakistani, other Asian, and Arab were moderately higher (29.7%; 34.9%; 31.6%).

In the lowest occupation (elementary occupations), the Black and Bangladeshi, Traveller groups were significantly higher (14%; 13.9% 52.3%); and "other white" (probably from eastern Europe) were moderately higher (14.3%). (source: Nomis)

There is likely to be a positive impact as more employees in BME groups and East European people could benefit from an increase in income as they are more significantly represented in the low paid professions. It will depend on the workforce profile to establish the extent to which there will be positive or negative impacts.

**OPP-PPF 3: Restore funding for grants to voluntary organisations. This provision reduces the proposed cutback from 25% to 10% from 16/17, based on the recent consultation exercise and the experience of the 2015/16 bidding round** There were 32 bids received in the race and ethnicity category (BAME) and 30 were funded This could suggest any increase in funding would have a positive impact for people. Consideration should also be given to some of the conclusions in the main EqIA. *'It appears that some BAME groups have found the transition period (or meeting the new priorities and outcomes) particularly challenging but further work is needed with individual groups to understand fully whether this is due to a lack of appreciation of the changes or because the activities of the group do not meet the Council's new priorities and outcomes'* Grants Review December 2014 update – from the [EqIA for the Grants Review December 2014](#) This could also be affecting the overall percentage of funding/ take up figures.

Equality strand	No of Bids	Recommended for full / some funding	Not recommended for any funding
Age	25	19	6
BAME	32	30	2
Disability	27	21	6
Gender	6	4	2
Pregnancy & Maternity	0	0	0
Transgender	0	0	0
Marriage & Civil Partnership	0	0	0
Race & Ethnicity	0	0	0
Religion & Belief	0	0	0
Sexual Orientation	5	4	1
Low Income / Poverty	10	10	0
Umbrella / Cross-Cutting	30	29	1
Non-Specific	18	0	18
Total	153	117	36

### (g) Race or Ethnicity

**OPP-PROG 1: Abandon introduction of self-service telephony and electronic enquiry services. [Executive budget item PROG3558] and OPP-PROG 2: Abandon introduction of a self-service voice activated switchboard. [Executive budget item PROG-3561]** Delete savings resulting from this.

Some people within the race or ethnicity equalities group could be affected by this initiative. Customers whose first language is not English might feel a negative impact by the introduction of this service, however there are options for customers to exit the system and speak to an advisor.

From anecdotal evidence, there is a very small percentage of customers that contact the Council by telephone who are unable to speak English; people generally prefer to seek advice face to face where an interpreter is more easily facilitated. So a traditional method of customer contact might have positive impacts in contrast to a self service system but more evidence is needed to assess the overall impact.

### (h) Religion or Belief

No disproportionate impact has been identified.

### (i) Sexual Orientation

No disproportionate has been identified.

### (j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

Revenue Amendments:

**OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts.** Positive impact – the payment of the living wage to external staff operating Council contracts could benefit working adults experiencing poverty rather than families wholly dependent on benefits.

It is a recent phenomenon that working adults outnumber workless adults in poverty - see the Joseph Rowntree Foundation blog - <http://www.jrf.org.uk/blog/2012/11/work-poverty-outstrips-poverty-workless-households>

In their recent *2014 Annual Report Monitoring Poverty and Social Exclusion* which stated “*Half of all people in poverty live in a family with someone in paid work; ie half of all those in poverty live with a working adult.*” <http://www.jrf.org.uk/publications/monitoring-poverty-and-social-exclusion-2014>

## **OPP-PPF 1: Payment of the Living Wage to external staff operating Council contracts continued..**

A potential unintended consequence relates to the complex relationship between low pay and 'in-work' benefits. Depending on circumstances, employees in receipt of benefits may have their benefits reduced as their wages rise. There are no known cases of employees being worse off as a result of receiving the Living Wage for benefits and allowances where there is a 'taper' in place. However it is important for employees to inform their benefits providers and the Tax Credit Office when their circumstances change, otherwise they may face a penalty or have to pay back overpayments with short notice which could be a negative impact for some people.

Furthermore, employees receiving Carers Allowance, which does not taper, have the potential to be negatively impacted as a result of pay increases. Therefore it is important for enterprises who become accredited Living Wage employers to signpost employees to relevant support services and agencies so that they can get advice on the implications for their benefits and tax credits.

A positive benefit might be how it could affect lone parents. Proportionately more lone-parent families headed by women. As shown in section 7(c), low pay affects significantly more women than men. Because most lone-parent, low-income households are headed by women, the prevalence of low pay amongst the female workforce is a major factor in child poverty. Payment of the living wage to contracted external staff could contribute as part of a wider strategy toward alleviating child poverty.

Individuals who have no, or low, levels of educational qualification are heavily represented in low paid employment sectors. If the adoption of a Living Wage is also tied to training and progression, the skills level of such employees should be improved.

### **Capital Amendments:**

#### **OPP-CAP 1: Intermediate Housing Programme.**

This proposal plans to invest £12 million in new affordable homes by building 70 homes set at 80 per cent of market rent, with a further 30 social housing units taking the total development up to 100 properties. More work needs to be done to look at data on demand for housing, in particular for ethnicity, gender and age but this could have a positive impact on a wide range of people who couldn't afford their own property.

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

Many of the bids had no disproportionate impact for the following reasons:

- No or little impact on people – e.g. capital bids
- It was too early to assess the impacts or they had been previously assessed last year and had been to Committee and then were delayed in being implemented – the EqIAs for these bids have been looked at as part of this process and are available [here](#).



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

The greatest impacts were on age, pregnancy, maternity, disability, ethnicity, transgender and socio economic factors. Positive impacts generally outweighed the negative and were already being mitigated .

The EqlAs that were used in this assessment are available for viewing and can be found here: [here](#).

## 9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to Suzanne Goff, Strategy Officer, who will arrange for it to be published on the City Council's website.

Email [suzanne.goff@cambridge.gov.uk](mailto:suzanne.goff@cambridge.gov.uk)

## Sign off

Name and job title of assessment lead officer: Suzanne Goff – Corporate Strategy

Date of completion: 30<sup>th</sup> January 2015

Action Plan

**Equality Impact Assessment title:** Liberal Democrat Amendments.

**Date of completion:** 30<sup>th</sup> January 2015

<b>Equality Group</b>	<b>Age</b>
Details of possible disadvantage or negative impact	The projects mainly have a positive impact. A few of the projects may have elements that could cause an adverse impact on older people.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

<b>Equality Group</b>	<b>Disability</b>
Details of possible disadvantage or negative impact	The projects mainly have a positive impact. A few of the projects may have elements that could cause an adverse impact on people with disabilities.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

<b>Equality Group</b>	<b>Gender</b>
Details of possible disadvantage or negative impact	The projects mainly have a positive impact. A few of the projects may have elements that could cause an adverse impact on women or carers.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

<b>Equality Group</b>	<b>Pregnancy and Maternity</b>
Details of possible disadvantage or negative impact	The projects mainly have a positive impact. A few of the projects may have elements that could cause an adverse impact on pregnant women.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

<b>Equality Group</b>	<b>Transgender</b>
Details of possible disadvantage or negative impact	The projects mainly have a positive impact. A few of the projects may have elements that could cause an adverse impact on transgender communities.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

<b>Equality Group</b>	<b>Marriage and Civil Partnership</b>
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

<b>Equality Group</b>	<b>Race or Ethnicity</b>
Details of possible disadvantage or negative impact	The projects mainly have a positive impact. A few of the projects may have elements that could cause an adverse impact on ethnic communities.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	
Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	N/A
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	
<b>Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):</b>	
Details of possible disadvantage or negative impact	The projects mainly have a positive impact. A few of the projects may have elements that could cause an adverse impact on low income groups..
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers responsible for the projects will review their EqIAs to monitor the impacts
Date action to be completed by	December 2015

## Lib Dem Budget Amendment – BSR 2015/16 replacement tables

### Performance against savings targets [Section 5, page 29]

Savings Targets	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
MFR 2014 - Current Savings Target (new savings each year)	-	1,225	1,323	798	1,073	1,547
<i>Previous year savings not achieved / (over achieved)</i>	-		(334)	-	(459)	-
<b>Revised savings target</b>	-	1,225	989	798	614	1,547
Impact on savings target - pressures - excluding additional PPF provision	-	1,680	270	305	383	511
<i>Impact on savings target - pressures - additional PPF provision</i>	-	107	161	(55)	(10)	-
<b>Revised savings target including pressures</b>	-	3,012	1,420	1,048	987	2,058
<i>Impact on savings target - New deliverable savings found in year</i>	-	(3,346)	(584)	(1,507)	(465)	(245)
<b>Savings still to be found</b>	-	(334)	836	(459)	522	1,813
<b>Savings found as a % of revised savings target</b>	-	111.09%	41.13%	143.80%	47.11%	11.90%

### New table: Savings targets changes summary

Savings Targets – Lib Dem Amendment	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
<i>Savings still to be found per BSR</i>	(602)	223	46	991	1,813	2,471
<i>Savings still to be found resulting from Lib Dem Amendment</i>	(334)	836	(459)	522	1,813	2,378
<i>Net increase / (decrease) in annual savings target</i>	268	613	(505)	(469)	0	(93)

### Priority Policy Fund [Section5, page 33]

Priority Policy Fund 2015/16	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
PPF funding available (MFR 2014)	-	(100)	(100)	(100)	(100)	(100)
Additional funding provided	-	(38)	(54)	(54)	(54)	(54)
<b>Total funding available</b>	-	(138)	(154)	(154)	(154)	(154)
<i>Lib Dem Amendment: additional PPF funding</i>	-	(69)	(214)	(159)	(149)	(149)
<b>Total funding available</b>	-	(208)	(369)	(314)	(304)	(304)
Bids into the PPF	-	138	154	154	154	154
<i>Lib Dem Amendment: additional PPF bids</i>	-	69	214	159	149	149
<b>Shortfall / (Unused) Funding</b>	-	-	-	-	-	-

## General Fund Projection: Expenditure and funding [Section 6, page 34]

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>Expenditure</b>						
<i>Net service budgets – Lib Dem Amendment</i>	<i>19,813</i>	<i>18,488</i>	<i>18,988</i>	<i>18,714</i>	<i>19,558</i>	<i>19,878</i>
Revenue Budget Proposals - MFR	125	(90)	(75)	(75)	(75)	(75)
Revenue Budget Proposals - BSR	-	(2,827)	(3,325)	(4,077)	(4,159)	(3,893)
<i>Revenue Budget Proposals – Lib Dem Amendment</i>	<i>-</i>	<i>268</i>	<i>613</i>	<i>108</i>	<i>98</i>	<i>98</i>
Future years PPF provision	-	100	100	100	100	100
Capital accounting adjustments	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)
<i>Capital expenditure financed from revenue – Lib Dem Amendment</i>	<i>2,230</i>	<i>16,291</i>	<i>2,562</i>	<i>2,380</i>	<i>1,880</i>	<i>1,880</i>
<i>Contributions to earmarked funds – Lib Dem Amendment</i>	<i>2,678</i>	<i>3,284</i>	<i>3,263</i>	<i>3,357</i>	<i>2,622</i>	<i>3,869</i>
<i>Revised net savings requirement – Lib Dem Amendment</i>	<i>-</i>	<i>334</i>	<i>(836)</i>	<i>459</i>	<i>(522)</i>	<i>(1,813)</i>
Contribution to reserves	-	-	255	40	824	1,078
<b>Net spending requirement</b>	<b>20,190</b>	<b>31,192</b>	<b>16,889</b>	<b>16,350</b>	<b>15,670</b>	<b>16,466</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(8,115)	(6,889)	(6,004)	(5,224)	(4,545)	(3,954)
Locally Retained Business Rates – Growth Element	(670)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	(93)	-	-	-	-	-
New Homes Bonus (NHB)	(3,376)	(2,519)	(2,423)	(2,423)	(2,423)	(3,612)
Appropriations from earmarked funds	522	(13,499)	(254)	(194)	-	-
Council Tax	(6,706)	(7,058)	(7,408)	(7,709)	(7,902)	(8,100)
Contributions from reserves	(1,752)	(427)	-	-	-	-
<b>Total funding</b>	<b>(20,190)</b>	<b>(31,192)</b>	<b>(16,889)</b>	<b>(16,350)</b>	<b>(15,670)</b>	<b>(16,466)</b>

## Capital Funding Available [Section 7, page 38]

Capital Funding Available	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Funding available and unapplied (MFR Oct 2014)	(149)	(44)	(562)	(880)	(880)	(880)
Reduce DRF	-	-	-	-	-	-
R&R additional DRF	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Fund New Bid	-	(8,000)	-	-	-	-
<i>Lib Dem Amendment: additional funding - delete creation of an Invest for Income Fund and increase DRF to Capital to fund Intermediate Housing programme.</i>		(6,500)	(1,000)	(500)		
<b>Total funding available</b>	<b>(149)</b>	<b>(15,544)</b>	<b>(2,562)</b>	<b>(2,380)</b>	<b>(1,880)</b>	<b>(1,880)</b>
New Bids using funding	-	8,332	250	250	250	-
<i>Lib Dem Amendment: net use of DRF including Intermediate Housing programme.</i>	-	6,670	2,532	945	195	195
<b>Net Funding Available</b>	<b>(149)</b>	<b>(542)</b>	<b>220</b>	<b>(1,185)</b>	<b>(1,435)</b>	<b>(1,685)</b>
<b>Cumulative Funding Available</b>	<b>(149)</b>	<b>(691)</b>	<b>(471)</b>	<b>(1,656)</b>	<b>(3,091)</b>	<b>(4,776)</b>

## New table: Direct Revenue Funding summary

Direct Revenue Funding	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Funding for Approved Plan	(2,081)	(15,749)	(2,782)	(1,195)	(445)	(195)
Available	(149)	(542)	220	(1,185)	(1,435)	(1,685)
<b>Total in General Fund Projection</b>	<b>(2,230)</b>	<b>(16,291)</b>	<b>(2,562)</b>	<b>(2,380)</b>	<b>(1,880)</b>	<b>(1,880)</b>

## Capital Plan Spending and Funding [Section 7, page 41]

Capital Plan Spending	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Programmes	4,283	16,977	3,065	1,465	895	195
Projects	2,451	1,161	36	31	36	-
<b>Sub-total</b>	<b>6,734</b>	<b>18,138</b>	<b>3,101</b>	<b>1,496</b>	<b>931</b>	<b>195</b>
Provisions	12,909	10,041	472	989	100	-
<b>Total Spend</b>	<b>19,643</b>	<b>28,179</b>	<b>3,573</b>	<b>2,485</b>	<b>1,031</b>	<b>195</b>

Capital Plan Funding	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>External Support</b>						
Developer Contributions	(6,334)	(2,745)	(146)	(123)	(121)	-
Other Sources	(7,081)	(3,138)	(50)	(50)	(50)	-
Prudential Borrowing	-	(2,804)	-	-	-	-
Supplementary Credit Approvals (SCA)	-	-	-	-	-	-
<b>Total - External Support</b>	<b>(13,415)</b>	<b>(8,687)</b>	<b>(196)</b>	<b>(173)</b>	<b>(171)</b>	<b>-</b>
<b>City Council</b>						
Developer Contributions	-	-	-	-	-	-
Direct Revenue Financing (DRF) - GF Services	(18)	-	-	-	-	-
Direct Revenue Financing (DRF) - Use of Reserves	(2,081)	(15,749)	(2,782)	(1,195)	(445)	(195)
Earmarked Reserve - Capital Contributions	(115)	(220)	(208)	(208)	(400)	-
Earmarked Reserve - Repair & Renewals Fund	(2,512)	(1,421)	(15)	(20)	(15)	-
Earmarked Reserves - Technology Investment Fund	(11)	-	-	-	-	-
HRA Capital Balances	-	-	-	-	-	-
Internal Borrowing - Temporary Use of Balances	(1,202)	(739)	(327)	(889)	-	-
Usable Capital Receipts	(289)	(1,363)	(45)	-	-	-
<b>Total - City Council</b>	<b>(6,228)</b>	<b>(19,492)</b>	<b>(3,377)</b>	<b>(2,312)</b>	<b>(860)</b>	<b>(195)</b>
<b>Total Funding</b>	<b>(19,643)</b>	<b>(28,179)</b>	<b>(3,573)</b>	<b>(2,485)</b>	<b>(1,031)</b>	<b>(195)</b>



## LICENSING COMMITTEE

26 January 2015  
10.00 am - 1.30 pm

**Present:** Councillors Benstead (Chair), Smith (Vice-Chair), Austin, Gawthrop, McPherson, Meftah, O'Reilly, Owers, Pippas, Baigent and Bick

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

### **14/32/LIC            Annual Review of Licensing Fees and Charges**

The Committee received a report from the Licensing & Enforcement Manager.

The report referred to the City Councils responsibility for processing and issuing licences for a wide range of activities, setting out the fees and charges for licences and associated items, which it is proposed should be made with effect from 1<sup>st</sup> April 2015. The approved charges would be submitted to full Council to note on 26<sup>th</sup> February 2015.

Mr Wratten advised the Committee that Cambridge City Licensed Taxis were in agreement with the fees

In response to members' questions the Licensing & Enforcement Manager confirmed the following:

- i. The increase in charges for Skin Piercing – Practitioners, reflected the fact that Officers spent more time undertaking diligent checks.
- ii. The Disclosure and Barring Service check was a set price.
- iii. The fees were linked to how much time an inspection and administration process took.
- iv. Profits of the businesses were not a consideration when setting fees.

The Committee:

**Resolved (unanimously) to:**

Approved the level of fees and charges with effect from the 1<sup>st</sup> April 2015, as set out in Appendix A of the Officer's report, and to request officers to communicate the charges to the trade and public.

This page is intentionally left blank

## CAMBRIDGE CITY COUNCIL

---

REPORT OF: Head of Refuse & Environment

TO: Licensing Committee

26/1/2015

WARDS: All

### **ANNUAL REVIEW OF LICENSING FEES AND CHARGES - 2015/16**

---

#### **1. INTRODUCTION**

- 1.1 The City Council is responsible for processing and issuing licences for a wide range of activities. This report sets out the fees and charges for licences and associated items, which it is proposed should be made with effect from 1<sup>st</sup> April 2015. The approved charges will be submitted to full Council to note on 26<sup>th</sup> February 2015.

#### **2. RECOMMENDATION**

- 2.1 Members are asked to approve the level of fees and charges with effect from the 1<sup>st</sup> April 2015, as set out in Appendix A of this report, and to request officers to communicate the charges to the trade and public.

#### **3. BACKGROUND**

- 3.1 The Council is required to review the charges which it makes for licences and other associated items, from time to time. Council policy is that an annual review will be undertaken.
- 3.2 The Council must seek to recover the costs associated with processing applications for licences and the administration and monitoring of compliance with conditions. However, it is not permitted to make a surplus nor to subsidise licence holders. The fees charged should be capable of withstanding legal challenge, should the need arise.

- 3.3 The cost to the Council of this work is regularly checked and real time costs have replaced estimates in compiling the figures. Where it is possible to reduce costs by use of more efficient working this is reflected in the charges made.
- 3.4 The proposed charges for 2015/16, together with the fees currently being charged, are set out in Appendix A.
- 3.5 Where changes to fees are indicated, these have been made with specific reference to the costs involved in the work required, rather than on the basis of a standardised approach.
- 3.5 Fees for licences for animal businesses have been increased to take account of the need to recover the essential costs associated with veterinary inspection and reporting. The charge for Home Boarding was reviewed and reduced by Committee during the course of the year.
- 3.6 Fees for Hackney Carriage licences have been increased to take into account the costs associated with undertaking the periodic required surveys of unmet demand, which are related to the Council's policy on the limitation or otherwise of the number of licensed hackney carriage vehicles.
- 3.7 Fees for renewals of Hackney Carriage and Private Hire Vehicle licences now reflect the costs of business support administration of garage tests, which were not included previously.
- 3.8 Fees for licences issued under the Licensing Act 2003 for premises and personal licences are currently fixed by the Government and are included in Appendix A for information only.
- 3.9 Permit fees under the Gambling Act 2005 are set by the Government and the Licensing Authority has no discretion. However, premises licence fees are set subject to the maxima laid down by the Department of Culture, Media and Sport and delegated to officers to determine. They are included in Appendix A for information.
- 3.10 Fees for Scrap Metal Dealers and Scrap Metal Collectors licences have been set by the Executive Councillor for Environment, due to an anomaly in the drafting of the Scrap Metal Dealers Act 2013 and are included in Appendix A for information only.
- 3.11 Officers have reviewed the control of Street Trading account and recommend that consent fees for 2015/16 are kept at current

2014/15 prices. The Local Government (Miscellaneous Provisions) Act 1982 requires the City Council to set consent fees at a level only to recover costs, after taking in account surpluses and deficits from previous years. It is felt that if fees are kept at current prices it will provide the necessary break-even position in 2015/16.

- 3.12 Following the restructure of the City Centre Management, Markets and Street Trading team in 2014, a further review of officer time spent on the Street Trading function will now be carried out and the impact on future fees will be reported back to this Committee next year.

#### **4. CONSULTATION**

- 4.1 Under the Local Government (Miscellaneous Provisions) Act 1976, the Council is required to consult on any changes to the fees and charges in respect of Hackney Carriage and Private Hire licensing.
- 4.2 A 28 day public consultation took place from 18 November 2014 to 15 December 2014. No responses were received.

#### **5. OPTIONS**

- 5.1 Members may adopt the fees as set out in Appendix A
- 5.2 Members may adopt fees at a different level to those set out in Appendix A, but, in doing so, should explain the reasons for departing from them, so as to enable the Council to withstand a legal challenge.

#### **6. CONCLUSIONS**

- 6.1 The Council needs to demonstrate that the fees it charges for licences have been set in accordance with the law and best practice, so as to recover its allowable costs in administering the various licensing regimes for which it is responsible.
- 6.2 Fees should be set so as avoid either a surplus or a subsidy, where possible, and adjusted, if necessary, in succeeding years to achieve and maintain the correct balance.
- 6.3 Members should determine which of the options, under Section 5 above, they wish to pursue or to determine such other course of action they consider appropriate.

## 7. IMPLICATIONS

(a) **Financial Implications**

Nil. The charges are set to recover the Council's allowable costs, as at present.

(b) **Staffing Implications**

Nil.

(c) **Equality and Poverty Implications**

Nil.

(d) **Environmental Implications**

Nil

(e) **Procurement**

Nil

(f) **Consultation and communication**

The charges proposed under the heading Taxi Licences have been the subject of a formal 28 day consultation

(g) **Community Safety**

Nil.

## APPENDICES

Appendix A: Table of proposed fees

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

Calculation spreadsheets

To inspect these documents contact Robert Osbourn on extension 7894

The author and contact officer for queries on the report is Robert Osbourn on extension 7894.

Report file:

Date originated: 10 February 2015

Date of last revision: 10 February 2015

## Appendix A

Charge Type and Description	Charges 2014/15	Charges 2015/16	% Increase
<b>Animal Businesses (New and Renewal)</b>			
Pet Shop Licence	£275.00	£315.00	14.5%
Animal Boarding Establishment	£275.00	£315.00	14.5%
Dog Breeding Establishment	£275.00	£315.00	14.5%
Riding Establishment	£275.00	£315.00	14.5%
Zoo	£500.00	£530.00	6.0%
Dangerous Wild Animals	£275.00	£315.00	14.5%
Home Boarding	N/A	£80.00	0.0%
<b>Skin Piercing</b>			
Skin Piercing – Premises	£130.00	£132.00	1.5%
Skin Piercing - Practitioners	£45.00	£50.00	11.1%
<b>Sex Establishments</b>			
Sexual Entertainment Venues (new & variation)	£2,700.00	£2,754.00	2.0%
Sexual Entertainment Venues (renewal)	£800.00	£816.00	2.0%
Sexual Entertainment Venues (transfer)	£800.00	£816.00	2.0%
Sex Shop / Sex Cinema (new & variation)	£2,500.00	£2,550.00	2.0%
Sex Shop / Sex Cinema (renewal)	£800.00	£816.00	2.0%
Sex Shop / Sex Cinema (transfer)	£800.00	£816.00	2.0%
<b>Taxi Licences</b>			
<b>Drivers</b>			
Disclosure & Barring Service Check (DBS) *	£44.00	£44.00	0.0%
Knowledge Test	£36.00	£40.00	11.1%
New Licence Fee	£145.00	£175.00	20.7%
Annual Renewal Fee	£75.00	£75.00	0.0%
3 Yearly Renewal Fee	£150.00	£150.00	0.0%
Replacement Badges	£15.00	£15.00	0.0%
DVLA Data Check *	£8.00	£8.00	0.0%
<b>Vehicles</b>			
Hackney Carriage Licence (new)	£200.00	£225.00	12.5%
Private Hire Licence (New)	£190.00	£210.00	10.5%
Private Hire Licence Renewal	£170.00	£200.00	17.6%
Hackney Carriage Licence Renewal	£170.00	£210.00	23.5%
Plate Deposit	£50.00	£50.00	0.0%
Replacement Plate	£25.00	£25.00	0.0%
Change of Ownership	£80.00	£50.00	(37.5%)

Crest - self adhesive	£6.00	£6.00	0.0%
Crest - magnetic	£8.00	£8.00	0.0%
<b>Operators Licence</b>			
Private Hire Operators Licence	£140.00	£140.00	0.0%
<b>Transponders</b>			
Annual permit	£20.00	£20.00	0.0%
Deposit *	£80.00	£80.00	0.0%
Replacement *	£80.00	£80.00	0.0%
<b>Street Trading</b>			
Food Pitch			
12 Month Licence	£2,886.00	£2,886.00	0.0%
8 Month Licence	£2,165.00	£2,165.00	0.0%
4 Month Licence	£722.00	£722.00	0.0%
Retail Pitch			
12 Month Licence	£2,727.00	£2,727.00	0.0%
8 Month Licence	£2,045.00	£2,045.00	0.0%
4 Month Licence	£682.00	£682.00	0.0%
* Externally set fees and charges			



<b>Scrap Metal Dealers ( For information only)</b>			
Site Licence	£410.00	£410.00	0.0%
Conversion to collector's licence	£50.00	£50.00	0.0%
Change of licensee name	£50.00	£50.00	0.0%
Addition of site	£410.00	£410.00	0.0%
Removal of site	£50.00	£50.00	0.0%
Change of Site Manager	£120.00	£120.00	0.0%
Replacement of lost or damaged licence	£45.00	£45.00	0.0%
Collector's licence	£175.00	£175.00	0.0%
Conversion to site licence	£355.00	£355.00	0.0%
Change of name (e.g. status)	£50.00	£50.00	0.0%
Replacement of lost or damaged licence	£45.00	£45.00	0.0%
<b>Licensing Act 2003 ( For information only)</b>			
Personal licence	£37.00	£37	0.00%
New Premises licence ( or full variation)	£100 - £1,905	£100 - £1,905	0.00%
Annual Fee	£70 - £1,050	£70 - £1,050	0.00%
Minor Variation	£89.00	£89	0.00%
Temporary Event Notice	£21.00	£21	0.00%
Change of Designated Premises Supervisor	£23.00	£23	0.00%
<b>Gambling Act ( For information only)</b>			
Bingo Club ( New)	DCMS Max £3,500.00	CCC Fee £2,625	
Bingo Club ( Annual Fee)	£1,000.00	£900	
Betting Premises ( New)	£3,000.00	£2,250	
Betting Premises ( Annual Fee)	£600.00	£540	
Family Entertainment Centre ( New)	£2,000.00	£1,500	
Family Entertainment Centre ( Annual Fee)	£675.00	£500	
Adult Gaming Centre ( New)	£2,000.00	£1,500	
Adult Gaming Centre ( Annual Fee)	£1,000.00	£900	

This page is intentionally left blank

## CIVIC AFFAIRS

28 January 2015

6.30pm - 8.05 pm

**Present:** Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Pitt, Hart and Robertson

### FOR ADOPTION BY THE COUNCIL

#### 15/8/CIV Council Tax Base and Business Rates Calculations

The committee received a report from Head of Finance regarding Council Tax Base and Business Rates Calculations.

**Resolved** (unanimously) to:

- i. Recommend Council to formally confirm the delegation to the Chief Financial Officer (Head of Finance) of approval of the Council Tax Base and submission of the National Non-Domestic Rates Forecast Form (NNDR1) for each financial year.

This page is intentionally left blank

## CAMBRIDGE CITY COUNCIL

---

REPORT OF: Caroline Ryba, Head of Finance

TO: Civic Affairs Committee

28/1/2014

WARDS: All

### **COUNCIL TAX BASE AND BUSINESS RATES CALCULATIONS**

---

#### **1 INTRODUCTION**

- 1.1 The Council is required to set the Council Tax Base (the number of equivalent Band D properties for council tax raising purposes) in advance of the start of each financial year. This base is used by the Council and precepting bodies (the county council, fire and police) to estimate council tax yield for budget setting purposes.
- 1.2 The introduction of the Business Rates Retention scheme from 1 April 2013 has given increased significance to the business rates forecasting form (NNDR1) which is completed by authorities and submitted to the Department of Communities and Local Government (DCLG) by the end of each January. This return estimates the amount of non-domestic rates income that the Council, central government, county council and fire authority expect to receive in the following financial year and is therefore also an important element of the budget setting process.
- 1.3 This report asks the Committee to recommend Council to formally confirm the current practice of delegation of approval of these items to the Chief Financial Officer.

#### **2. RECOMMENDATIONS**

- 2.1 To recommend Council to formally confirm the delegation to the Chief Financial Officer (Head of Finance) of approval of the Council Tax Base and submission of the National Non-Domestic Rates Forecast Form (NNDR1) for each financial year.

### 3. **BACKGROUND**

- 3.1 Calculation of the council tax base and the NNDR1 calculations are technically based and determined by regulation.

#### **Council Tax Base**

- 3.2 The Council approves the Council Tax Base as part of the Budget Setting report in February each year. However, the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 1992 require that the authority notifies the council tax base to the precepting authorities by 31 January before the start of the financial year.
- 3.3 Approval of the Council Tax Base is not required by Council and can be delegated. Approval of the base has been effectively delegated to the Chief Financial Officer for more than a decade, but current officers have been unable to identify a formal delegation either in the Constitution or having been taken through this Committee.

#### **Business Rates**

- 3.3 The NNDR1 form has a renewed significance under business rates retention as it estimates the funding that the authority will receive from business rates for the following year. The DCLG has indicated in the Practitioner's Guide to Business Rates Retention that it considers that the form is not required to be approved by Council and that this can be carried out by the Chief Financial Officer.
- 3.4 It is considered to be best practice to formally document the delegation of approval of the NNDR1 form.

### 4 **IMPLICATIONS**

- (a) **Financial Implications** The calculation of the non-domestic rating income and the council tax base are key statutory elements in the budget process.
- (b) **Staffing Implications** None
- (c) **Equal Opportunities Implications** The council tax base and NNDR1 calculations form part of the wider budget process for which an Equalities Impact Assessment is prepared.
- (d) **Environmental Implications** None

(e) **Procurement** None

(f) **Consultation and communication** The council tax base and NNDR1 calculations form part of the wider budget process which is subject to public consultation.

(g) **Community Safety** None

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

The Local Authorities (Calculation of Council Tax Base) Regulations 1992

The Local Government Finance Act 1992

To inspect these documents contact Charity Main on extension 8152

The author and contact officer for queries on the report is Charity Main on extension 8152.

Report file: O:\accounts\Committee Reports & Papers\Civic Affairs\January 2015\Civic Affairs Draft Report Jan 2015 - CT base and NNDR1 approval.docx

Date originated: 03 February 2015

Date of last revision: 03 February 2015

This page is intentionally left blank



## CIVIC AFFAIRS

28 January 2015

6.30pm - 8.05 pm

**Present:** Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Pitt, Hart and Robertson

### FOR ADOPTION BY THE COUNCIL

#### 15/10/CIV Pay Policy Statement 2015/16

The committee received a report from the Head of Human Resources regarding the Pay Policy Statement 2015/16.

**Resolved** (unanimously) to:

- i. Recommend to Council the draft Pay Policy Statement 2015/16 attached at Appendix 1 of the officer's report.
- ii. Delegate authority to the Head of Human Resources to amend the draft Pay Policy Statement 2015/16 should there be agreement on a pay offer for Chief Executives and/or Chief Officers. [NB. *Subsequent to the committee meeting an agreement on chief officer pay was reached on 2 February. The Pay Policy Statement in the Council Agenda has been amended to reflect this, with the changes in italic text.*]

This page is intentionally left blank

## CAMBRIDGE CITY COUNCIL

---

REPORT OF: Head of Human Resources

TO:                   Civic Affairs Committee                   28/1/2015  
                          Full Council                                   26/2/2015

WARDS:     All

### **PAY POLICY STATEMENT 2015/16**

---

#### **1     INTRODUCTION**

- 1.1 This report sets out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31<sup>st</sup> March each year.
- 1.2 The pay policy statement covers posts designated 'chief officer'. For Cambridge City Council this includes the chief executive, directors and heads of service. The areas to be covered in the statement are: salary, expenses, bonuses, performance-related pay, severance payments, how election fees are paid and the pay policy on re-engagement of ex-employees. The Localism Act also requires the statement to define the lowest paid employees and the ratio to the highest earning employee.
- 1.3 The Civic Affairs Committee are asked to note that the Pay Policy Statement 2015/16 has been updated to reflect our accreditation as a Living Wage Employer and there is a new section relating to apprenticeships.
- 1.4 Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives and the Joint Negotiating Committee (JNC) for Chief Officers. In November 2014 the National Employers made a formal offer of a pay award that they hope can form the basis of an Agreement between the Employers and trade union sides on pay for local authority Chief Executives and for Chief Officers for 2014-16.

The proposed pay offer for Chief Executives is:

Two per cent on guaranteed FTE basic salary of £99,999 or less [as at 31 December 2014] with effect from 1 January 2015. The offer covers the period to 31 March 2016.

This proposed pay award would not apply to the post of Chief Executive at Cambridge City Council as the current salary range for the post is £108,639-£122,503.

The proposed pay offer for Chief Officers is:

Two per cent on guaranteed FTE basic salary of £99,999 or less [as at 31 December 2014] with effect from 1 January 2015. The offer covers the period to 31 March 2016.

This proposed pay award would apply to Directors (current salary £82,161-£91,891) and Heads of Service on salary Bands JNC 1 (current salary £63,778-£70,263) and JNC 2 (current salary £55,120-£61,605) at Cambridge City Council.

- 1.5 To date there has been no agreement on these pay offers but it is possible that news of acceptance of the offers or revised offers may be received from the Local Government Association prior to the draft Pay Policy Statement 2015/16 being considered by Civic Affairs or Full Council. The Civic Affairs Committee and/or Council will be updated accordingly.

## **2. RECOMMENDATIONS**

**The Civic Affairs Committee is asked to:**

- 2.1 Consider and recommend to Council the draft Pay Policy Statement 2015/16 attached as Appendix 1.
- 2.2 Delegate authority to the Head of Human Resources to amend the draft Pay Policy Statement 2015/16 should there be agreement on a pay offer for Chief Executives and/or Chief Officers.

## **3. CONSULTATIONS**

The Chief Executive, Director of Business Transformation, Head of Legal Services, Strategic Procurement Officer, Head of Finance, Support Services Manager and Democratic Services Manager have

been consulted on this report and the attached draft Pay Policy Statement.

#### 4. **IMPLICATIONS**

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

There are no financial implications arising from this the report.

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

This report relates to the pay, terms and conditions of staff.

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

EQIA's were undertaken for the pay, terms and conditions review in 2012 and for the introduction and review of the Living Wage Policy. A separate EQIA has not been prepared for this report.

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

The proposal has no climate change impact.

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

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

This pay policy statement once approved by Full Council will be published on the Councils website.

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

This report relates to the pay, terms and conditions of staff and does not impact directly on community safety matters.

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

- Pay Policy Statement 2014/15
- Provisions of the Localism Act relating to chief officer pay statements
- Communities and Local Government Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012 and Supplementary Guidance February 2013.
- Local Government Association Localism Act: Pay Policy Statements Guidance (November 2011) and Supplementary Notes 1 and 2.

- Local Government Association circulars dated 24 November 2014 relating to proposed pay offer for Chief Executives and Chief Officers.

To inspect these documents contact Deborah Simpson, Head of Human Resources on extension 8101.

The author and contact officer for queries on the report is Deborah Simpson, Head of Human Resources on 01223 458101.

Report file:

Date originated: 17 February 2015

Date of last revision: 17 February 2015



## Pay Policy Statement 2015/16

### Scope

This pay policy statement covers the posts of the chief executive, all directors and all heads of service within the JNC 1 and JNC 2 grades.

The Council is now an accredited Living Wage Employer and this statement incorporates the Council's policy on the Living Wage.

The Council has a number of apprenticeship opportunities and there is a statement relating to apprenticeships.

### Salary

The current salary scales for the chief executive, directors and heads of service are shown below. The pay scales were revised in 2012 as part of the Council's review of pay, terms and conditions.

*The pay scales have been updated following notification in February 2015 of the Joint Negotiating Committee (JNC) pay award of 2% for chief officers, effective from 1 January 2015. This pay award relates to Cambridge City Council posts graded Director, JNC1 and JNC 2 shown in the table below.*

*The revised director and head of service pay rates will take effect in February 2015 salaries. The median average salary shown below will be recalculated and updated at that time.*

Progression through the pay band (a four point scale) is subject to a range of criteria that are currently assessed via the annual performance review.

<b>Chief Executive</b>	108639	113252	117859	122503
<b>Director</b>	83804	87114	90419	93729
<b>Head of service</b>				
<b>JNC1</b>	65054	67270	69452	71668
<b>JNC2</b>	56222	58439	60655	62837

## **Pay Awards**

Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives and the Joint Negotiating Committee (JNC) for Chief Officers.

## **Terms and Conditions of Employment**

The terms and conditions of employment for the chief executive, directors and heads of service within the scope of this pay policy statement are determined in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers, as set out in the Scheme of Conditions of Service. These are supplemented by local collective agreements reached with trade unions recognized by the Council and by the rules of the Council.

## **Remuneration on Recruitment**

Recruitment to the posts of chief executive and director is undertaken by a committee of councillors appointed by Council, but in the case of the chief executive, the appointment is made by Full Council, following a recommendation from the Employment (Senior Officer) Committee. The salary on recruitment will be within the current salary range for these posts at that time.

Recruitment to posts of head of service is undertaken by the chief executive or a director and is subject to notification to Executive Councillors before a job offer can be made. The salary on recruitment will be within the current salary range for these posts at that time.

There are occasions when the salary determined by the grading for a post results in an inability to successfully recruit to or retain staff in particular posts or specific occupational areas, due to fluctuations in the labour market supply. These recruitment and retention problems can affect ability to deliver services. In such cases it may be appropriate to pay a market supplement in addition to the salary where there is evidence to justify that market factors are the “material reason” for the post attracting a higher rate of pay than other posts graded similarly. Any additional market supplement will be made in accordance with the Market Pay Policy.

Rules governing the recruitment of the chief executive, directors and heads of service are set out in the councils constitution in section; Part 41, Officer Employment Procedure Rules

## **Bonuses**

There are no bonus arrangements payable to the chief executive, directors or heads of service.

## **Performance Related Pay**

Performance and progression through the pay band is assessed annually in line with the Council’s performance review schemes. For the chief executive and directors, performance is assessed by a panel of councillors, the Chief Officer Performance Review Working Party. For heads of service, performance is assessed by their director.



There is no performance related pay scheme outside of the performance review scheme, which determines the salary point of an officer, within the salary scale set out above.

### **Salaries over £100,000**

The post of chief executive is the sole post which carries a salary range of over £100,000.

### **Publication of salary data**

Salary data for the chief executive, directors and heads of service is published on the council's website, in the Open Data, Senior Council Officers section.

For the chief executive and directors this includes name, job description and actual salary, and for the chief executive, expenses and any election fees paid. For the heads of service this includes salary by post title.

This pay policy statement once approved by Full Council will be published on the Councils website.

### **Expenses**

The expenses which may be payable to the chief executive, a director or head of service include:

- car/bicycle/motorcycle allowances at HMRC rates
- re-imbusement of travel and subsistence
- one professional subscription per annum
- payments under the eye sight tests scheme
- relocation assistance in accordance with the Relocation Scheme

### **Severance Payments**

Severance payments are made in accordance with the council's employment policies and are the same for all staff.

Employees with more than two years service will be entitled to redundancy pay in line with local government guidelines and statutory provisions. Redundant employees may receive the following elements in their final pay:

- Normal pay up to the agreed leaving date
- Where applicable, payment in lieu of outstanding notice
- Severance payment (where entitled).

Under the council's redundancy scheme a weeks pay will be calculated on the basis of actual contractual pay. Additional benefits are not included. Cambridge City Council will not apply the statutory weeks pay definition.

Employees in the pension scheme and who are over age 55 are entitled to immediate onset of pension benefits based on actual reckonable service if:

- They are over 55 at the termination date

- They meet the two years vesting period in the Local Government Pension Scheme (LGPS)

Once an employee is in receipt of early payment of pension benefits, if their total pay and pension benefits together (if reemployed by another employer covered by the Local Government Modification order) exceeds their salary as at the leaving date, the difference may be claimed back from pension payments.

An employee will lose their entitlement to redundancy pay if they take up a post with another body covered by the Redundancy Payments (Local Government) (Modification) (Amendment) Orders within 4 weeks of the date of the redundancy and the offer of the new job has been made before the end of the original contract.

The chief executive, monitoring officer and chief finance officer can only be dismissed by the full council. All other directors and heads of service can only be dismissed in accordance with the Councils constitution, Part 41, Officer Employment Procedure Rules.

Any proposals with a salary or severance package with a total value over £100k will be reported by the Employment (Senior Officer) Committee to Full Council for decision.

### **Pension and Pension Enhancements**

The employees within the scope of this pay policy are entitled to and receive pension contributions from the Local Government Pension Scheme (LGPS). This is a contributory scheme and they currently contribute between 8.5% and 11.4% of their pensionable pay to the scheme.

The employer contribution rate is currently 17.4% i.e. the council contributes 17.4% of pensionable pay to the pension of a member of staff within the pension scheme. The rate of 17.4% is the same for all staff. The rate is reviewed every 3 years following a valuation of the fund by the appointed actuaries.

In addition to the employers contributions on pensionable pay Cambridge City Council like most employers in the Pension Fund is paying a 'Deficit Repayment' which is expressed in monetary terms, not percentage of payroll. This protects the Fund if Cambridge City Council's pensionable payroll flattens or drops, and ensures the Fund is receiving sufficient money to help pay the deficit. The deficit payment amount for 2014/2015 is £769,000. The anticipated contribution rates and deficit repayments for the next two years are: 2015/16 – 17.4%, £1,303,000 and for 2016/17 -17.4%, £1,881,000.

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement 2014. This policy was approved by the Civic Affairs Committee on the 25 June 2014. The policy was reviewed in line with the requirement that Council officers review the statement every 3 years and / or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council), and any recommended changes will go before Civic Affairs for approval.

## **Relationship to lowest paid and median average of employees**

The lowest paid staff within the Council's pay structure are on Band 1. For this reason we have chosen staff employed on Band 1 as our definition of the 'lowest paid' for the purposes of this policy.

Band 1 currently ranges from £14,075 to £16,231 per annum.

The terms and conditions of employment for Band 1 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as the Green Book). These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

Pay policies which apply to Band 1 employees include:

- car/bicycle/motorcycle mileage at HMRC rates
- re-imbusement for travel and subsistence
- overtime/enhanced rates
- standby and callout arrangements
- one professional subscription per annum
- payments under the eye sight tests scheme

The highest paid officer of the council is the chief executive, with a current salary of £117,859. The chief executive's current salary scale runs from £108,639 to £122,503.

The ratio between the highest and lowest pay points on each scale is - 1:8.7

The ratio of the chief executive's current salary and the lowest pay point is - 1:8.4

The median average salary of all Cambridge City Council staff is £27,123.

The ratio of the chief executive's current salary to the median average salary is - 1:4.3.

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

## **Living Wage**

The Council has adopted a Living Wage policy for staff, agency workers and contractors engaged through the Council's Procurement processes.

The Council will pay the national Living Wage rate for Cambridge City Council staff, by way of a supplement to pay rates.

The Council will pay the minimum of the national Living Wage rate to agency workers after 4 weeks of their engagement with the City Council.

The Council will require contractors engaged through the Council's procurement processes to deliver services on Council premises to pay their employees/sub-contractor employees who work on the premises for 2 or more hours on any day in a week for 8 or

more consecutive weeks in a year at least the national Living Wage. The only contracts that will be excluded from the requirement to pay the Living Wage are:

- contracts where it would be unlawful to require the payment of the Living Wage
- contracts where, following evaluation, it is considered inappropriate to impose the requirement.

The Living Wage is £7.85 per hour (£15,144 per annum). The pay ratios based on the Living Wage of £7.85 are as follows:

The ratio between the highest and lowest pay points on each scale is – 1:8.1

The ratio of the chief executive's current salary and the lowest pay point is - 1:7.8

The median average salary of all Cambridge City Council staff is £27,123.

The ratio of the chief executive's current salary to the median average salary is – 1:4.3

## **Apprentices**

The Council has recently engaged a number of apprentices and has set a target of 20 apprenticeships by 2018. The apprentice roles have been created by services as development opportunities, to support the apprenticeship programme. These roles do not replace existing posts and are outside of the Living Wage policy.

The pay ratios based on the current national apprenticeship rate of £2.73 (for the first year) are as follows:

The ratio between the highest pay point and the apprenticeship rate is – 1:22

The ratio of the chief executive's current salary and the apprentice rate is - 1: 21

The median average salary of all Cambridge City Council staff, including apprentices is £27,123.

The ratio of the chief executive's current salary to the median average salary, including apprentices is – 1:4.3

In the second year of an apprenticeship the salary rate increases in accordance with the persons age at that time. The rates are currently £5.13 (at age 18-20) and £6.50 (at age 21- 24).

## **Election Fees**

The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. Elections fees are paid for these additional duties and they are paid separately to salary.

The Chief Executive is the council's Returning Officer.



The fees for Parliamentary, Police Commissioner and Euro Elections are set by the Government. The fees for County Council elections are set by the County Council. The fees for Parliamentary and European Elections are pensionable.

Fees for district elections are set locally and current fees were agreed by the Civic Affairs Committee in April 2010 as £373 per contested ward and £55 per uncontested ward. Fees for district elections are pensionable.

Other officers, including senior officers within the scope of this policy, may receive additional payment for specific election duties.

### **Tax Avoidance**

The Council takes tax avoidance seriously and will seek to appoint individuals to vacant positions using the recruitment procedures on the basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE.

Where consultants are recruited the Council will seek to avoid contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by that person, such as paying the individual through a company effectively, controlled by him or her.

These principles will be embedded in contract clauses and guidance for managers when employing consultants.

### **Re-engagement of ex City Council staff within the scope of this policy**

All permanent or fixed term posts are advertised in accordance with the council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the council's procurement policies and the provisions for contract for services.

The council will not engage an ex city council member of staff within the scope of this policy outside of these arrangements.

**February 2015**

This page is intentionally left blank

**REFURBISHMENT OF THE CAMBRIDGE ACCESS SURGERY**

**Decision of:** **Councillor Kevin Price,**  
Executive Councillor for Housing

**Reference:** 14/URGENCY/HSC/9

<b>Date of decision:</b> 18/11/14	<b>Recorded on:</b> 18/11/14
--------------------------------------	---------------------------------

**Decision Type:** Non Key

**Matter for Decision:** To seek approval to spend capital monies, which are earmarked within the repair and renewals funds for the Access Surgery, but where the scheme does not currently appear in the Capital Plan and the costs exceed £10,000 in total. This is an urgent decision because the building work has already commenced.

**Why the decision had to be made (and any alternative options):** This is an urgent decision because the building work has already commenced.

As specified under Part 4C 6.1.2 of the Councils Constitution, It was not deemed practical to convene a quorate meeting of Council to agree the addition to the Capital Plan.

**The Executive Councillor's decision(s):** To agree an increase of £80,000, in the capital expenditure already included in the Council's Capital Plan as part of the project for the completion of the refurbishment works at 125 Newmarket Road. This expenditure will be fully financed using repairs and renewals funding, and is in addition to the £100,000 approved at Community Services Committee in March 2012.

<b>Reasons for the decision:</b>	As outlined above
<b>Report:</b>	A report detailing the background is attached and background papers.
<b>Scrutiny consideration:</b>	The Chair and Opposition Spokes were consulted prior to the action being authorised.  The Leader approved this addition to the Capital Plan on 24 November 2014.
<b>Conflicts of interest:</b>	No conflicts of interest were declared by the Executive Councillor.
<b>Comments:</b>	This urgent decision will be reported back to the next Housing Scrutiny Committee on 14 January 2015 and then Council on 26 February 2015.  Comments were received from the Opposition Spokes Opposition Spokes – Independent Group. The points raised were addressed by Officers.  No adverse comments were received.





To: Executive Councillor for Housing: Councillor Kevin Price  
Report by: Alan Carter  
Relevant scrutiny Housing 4/11/2014  
committee: Scrutiny Committee  
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge  
East Chesterton King's Hedges Market Newnham  
Petersfield Queen Edith's Romsey Trumpington  
West Chesterton

**REFURBISHMENT OF THE CAMBRIDGE ACCESS SURGERY - URGENT DECISION**  
**Not a Key Decision**

---

**1. Executive summary**

The purpose of this paper is to seek approval to spend capital monies, which are earmarked within the repair and renewals funds for the Access Surgery, but where the scheme does not currently appear in the Capital Plan and the costs exceed £10,000 in total. This is an urgent decision because the building work has already commenced.

**2. Recommendations**

The Executive Councillor is recommended:

To ask the Council (with the decision to be taken out of cycle by the Leader) for an increase of £80,000, in the capital expenditure already included in the Council's Capital Plan as part of the project for the completion of the refurbishment works at 125 Newmarket Road. This expenditure will be fully financed using repairs and renewals funding, and is in addition to the £100,000 approved at Community Services Committee in March 2012 (please refer to appendix 1).

**3. Background**

The Cambridge Access Surgery is based at 125 Newmarket Road, Cambridge. The surgery offers a primary health care service for homeless people in the City and the Council received then Office of the Deputy Prime Minister (ODPM) funding back in 2003 to establish the service in partnership with the Primary Care Trust (PCT). The Council owns the building and it is

currently leased to Malling Healthcare with a sub-lease to the current contract holder for street and mental health outreach services in the City (currently Crime Reduction Initiatives - CRI).

As part of its 2009-12 Homelessness Strategy the Council had an objective to create a One-Stop Shop for healthcare services for homeless people. A report went to Community Services Scrutiny Committee in March 2012 requesting £100,000 of funding from the repair and renewals fund be set aside to make the building fit-for-purpose to create the One-Stop-Shop (**appendix 1**). This request was approved and the decision can be viewed at

<http://democracy.cambridge.gov.uk/documents/g529/Printed%20minutes%2015th-Mar-2012%2013.30%20Community%20Services%20Scrutiny%20Committee.pdf?T=1> (page 4/5)

Following approval at committee, the project was subsequently delayed because the Primary Care Trust (PCT) was being wound down and it was not clear for some time which organisation the Council would enter into a lease with. Following a tender process a new organisation was appointed to run the Access Surgery and the Council entered into a lease with Malling Healthcare on 1<sup>st</sup> October 2013.

The refurbishment works were subsequently tendered and a contract was awarded. The contractors started on site in May 2014 and are set to complete in December. Both in the time leading up to the award of the healthcare contract and the subsequent drafting of the specification for the refurbishment contract, the Housing Advice Service took the view that it would make sense to cease all routine maintenance works at 125 Newmarket Road and include them in the specification so that all the works could be completed together in a logical order under one single building project. The building has not formed part of the Council's cyclical maintenance programme up until now and significant improvements were required to bring the building up to standard.

The works that were added into the contract, which the Council would normally expect to pick up as part of its maintenance responsibilities under the current lease include mechanical and electrical installation upgrades, which alone account for more than £65,000.

The current estimation for the work in total is £167,821 (excluding project management fees of 9.75% of the contract sum). An arrangement has been entered into with Malling Health for the company to make a contribution of up to £15,000, calculated on the basis of fittings requested by the company that are either necessary clinical items or are of better quality than the standard item but represent better long-term value.

Officers were aware that sufficient monies were set aside in the repair and renewals funds to cover the cost of the works. However, as the additional sums (beyond that agreed by committee in 2012) are above £10,000 approval is required for the additional works, and for both the expenditure and financing to be incorporated into the capital plan.

#### **4. Implications**

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

This expenditure will be fully financed using repairs and renewals funding, and is in addition to the £100,000 approved at Community Services Committee in March 2012

As at the end of September 2014 there was £285,048.91 in the joint repairs and renewals fund for 125 and 451 Newmarket Road, which is considered sufficient to meet both this cost and future projected investment need.

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

None

##### **(c) Equality and Poverty Implications**

The Access Surgery offers a primary healthcare service to patients who are homeless or formerly homeless and traditionally suffer from poor health care outcomes and low life expectancy. The surgery continues to ensure that access to both primary and secondary health services is more readily available for this patient group. For these reasons it was not felt necessary to conduct an Equality Impact Assessment.

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

+M – the newly refurbished building will be more energy efficient with a new air ventilation system and secondary double glazing a feature of the refurbishment works

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

The procurement process was led by Freeman Rees Roberts (architects) on behalf of the Council

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

The consultation process is outlined in the previous committee report contained at appendix 1.

The Council is proposing a news release in December when the works are complete.

(g) **Community Safety**

None

**5. Background papers**

None

**6. Appendices**

Appendix 1 - Report to Community Services Scrutiny Committee, March 2012

**7. Inspection of papers**

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

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