



# Public Document Pack

## Cambridge City Council

### STRATEGY AND RESOURCES SCRUTINY COMMITTEE

**To:** **Scrutiny Committee Members** - Councillors Robertson (Chair), Sinnott (Vice-Chair), Baigent, Benstead, Bick, Cantrill, M. Smart and Smith

**Alternates:** Councillors Sarris and C. Smart

**Leader of the Council:** Councillor Herbert

**Executive Councillor for Finance and Resources:** Councillor Owers

*Despatched: Wednesday, 17 September 2014*

**Date:** Monday, 29 September 2014

**Time:** 5.00 pm

**Venue:** Committee Room 1 & 2 - Guildhall

**Contact:** Glenn Burgess

**Direct Dial:** 01223 457013

### AGENDA

**1 APOLOGIES FOR ABSENCE**

**2 DECLARATIONS OF INTEREST**

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

**3 MINUTES OF THE PREVIOUS MEETING** (Pages 7 - 30)

**4 PUBLIC QUESTIONS**

## **Items for Decision by the Executive Councillor, Without Debate**

These Items will already have received approval in principle from the Executive Councillor. The Executive Councillor will be asked to approve the recommendations as set out in the officer's report. There will be no debate on these items, but members of the Scrutiny Committee and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

## **Items for Debate by the Committee and then Decision by the Executive Councillor**

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

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

### **Decisions of the Executive Councillor for Finance and Resources**

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

#### **5 MID YEAR FINANCIAL REVIEW (MFR) OCTOBER 2014 (Pages 31 - 70)**

### **Decisions of the Leader**

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

#### **6 ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014 (Pages 71 - 98)**

# 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.

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

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**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/>

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**STRATEGY AND RESOURCES SCRUTINY COMMITTEE**

14 July 2014  
5.00pm - 8.26 pm

**Present:** Councillors Robertson (Chair), Sinnott (Vice-Chair), Baigent, Benstead, Cantrill, M. Smart and Smith

**Leader of the Council:** Councillor Herbert

**Executive Councillor for Finance and Resources:** Councillor Owers

**Officers Present:**

Chief Executive: Antoinette Jackson

Director of Customer and Community Services: Liz Bisset

Director of Environment: Simon Payne

Director of Business Transformation: Ray Ward

Section 151 Officer: Alex Colyer

Head of Property Services: Dave Prinsep

Strategy and Partnerships Manager: David Kidston

Karl Tattam: Support Services Manager

Accountant (VAT and Treasury): Stephen Bevis

Committee Manager: Glenn Burges

<b>FOR THE INFORMATION OF THE COUNCIL</b>
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**14/41/SR Apologies for absence**

Apologies were received from Councillor Bick. Councillor Catherine Smart attended as the alternate.

**14/42/SR Declarations of interest**

Councillor	Item	Interest
Robertson	14/51/SR	Personal: Trustee of Cambridge Cyrenians
Smith	14/52/SR	Personal: Employed by the University
Sinnott	14/52/SR	Personal: Employed by the University

**14/43/SR Minutes of the previous meeting**

The minutes of the meetings held on 26 March 2014 and 12 June 2014 were approved and signed as a correct record.

**14/44/SR Public Questions**

There were no public questions.

**14/45/SR Decisions Taken by Executive Councillor**14/45a/SR Green Deal

The decision was noted.

**Re-ordering of the agenda**

Under paragraph 4.2.1 of the Council Procedure Rules, the Chair used his discretion to alter the order of the agenda items. However, for ease of the reader, these minutes will follow the order of the agenda.

**14/46/SR Oral Report From the Executive Councillor and Proposals for 'Lead Councillors'**

The Executive Councillor for Finance and Resources gave an oral update on the following immediate priorities for his portfolio:

- i. Mid-Year Financial Review
- ii. Delivery of the Capital Programme
- iii. Approach to earmarked reserves
- iv. Approach to underspend
- v. Treasury Management
- vi. Social audit of expenditure following CIPFA guidance

The role of the following Lead Councillor was introduced:

Lead Councillor for Anti-Poverty and the Living Wage: Councillor Robertson



In response to member's questions the Executive Councillor said the following:

- i. Cross cutting strategic elements of the Portfolio sat with the Leader of the Council.

**14/47/SR General Debts - Bad Debts for Write-off**

**Matter for Decision:** Write off of debts deemed not to be collectable. The amounts related to general income in the financial year ending 31<sup>st</sup> March 2015.

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

The Executive Councillor resolved:

- i. To write off one debt totalling £2,196.64 as summarised in the exempt 'Appendix A' of the officer's report.

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

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

**Scrutiny Considerations:** N/A

The Executive Councillor approved the recommendation.

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

Not applicable.

**14/48/SR Budget Amendment**

**Matter for Decision:** Budget amendment proposed by The Executive.

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

The Executive Councillor resolved:

- i. To recommend to Council budget changes as outlined in the following:

**General Fund Revenue Budgets:**

Approve the following revenue budget changes:

- for items funded from General Fund Reserves, as shown in Appendix A of the officer's report.
- for items funded from External or Earmarked Funds, as shown in Appendix B of the officer's report.

**Capital & Revenue Projects Plan:**

Approve the capital amendment, as shown in Appendix C of the officer's report.

**Earmarked Reserves:**

Approve changes as follows:

- ***Amend the 'Keep Cambridge Moving Fund'.***

The Budget-Setting Report approved by Council in February 2014 included a contribution to this fund of £1,063.9k. It was now proposed to reduce this to £263.9k in order to fund the new Earmarked Reserves outlined below. The updated Earmarked and Specific Funds were shown in Appendix D of the officer's report.

- ***Establishing an earmarked reserve of £500,000 for 'Sharing Prosperity Fund', with the remit:***

**Sharing Prosperity Fund Formal Remit:**

*To provide resources to fund fixed-term and one-off projects and proposals (which can be made through the budget process by members or officers, subject to consideration by the relevant scrutiny committee and the Anti-Poverty Strategy Project Board) that support the interim 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)*

**Establishing an earmarked reserve of £300,000 for 'Fixed-Term Priority Project Fund', with the remit:****Fixed-Term Priority Project Fund Formal Remit:**

*To use non-ongoing, potentially short-term or uncertain sources of income, most obviously New Homes Bonus, for fixed-term costs.*

*The creation of this fund would allow such sources of income to be used for priority projects without building in unsustainable ongoing revenue commitments.*

**Earmarked Reserves****'Sharing Prosperity Fund' (SPF)**

It was recommended that £500,000 of the balance of unapplied New Homes Bonus Funding for 2014/15 (currently in "Keep Cambridge Moving" Earmarked Fund) be used to create a 'Sharing Prosperity Fund'. It would provide resources to fund fixed term and one-off projects and proposals (which can be made through the budget process by members or officers, subject to consideration by the relevant scrutiny committee and the Anti-Poverty Strategy Project Board) that support the objectives of the council's Anti-Poverty Strategy,

**‘Fixed-Term Priority Project Fund’ (FTPPF)**

Currently the Priority Policy Fund (PPF) could be used to fund ongoing revenue costs as well as fixed-term or one-off projects. It was recommended that in future years it be used solely to fund ongoing revenue costs, not fixed-term or one-off projects.

It was recommended that a new fund, similar to the PPF but only available for funding non-ongoing, fixed-term projects, be set up, called the Fixed-Term Priority Project Fund (FTPPF). This could then harness non-ongoing, potentially short-term or uncertain sources of income, most obviously NHB. The creation of this fund would allow such sources of income to be used for priority projects without building in unsustainable ongoing revenue commitments. It was recommended that £300,000 of the balance of unapplied New Homes Bonus Funding for 2014/15 (currently in “Keep Cambridge Moving” Earmarked Fund) be used to create this fund.

**Capital**

The Executive proposed the change identified in Appendix C of the officer’s report, namely to delete the 'Capital contribution to the 'Keep Cambridge Moving Fund' of £111,140 and delete from Capital Plan SC593.

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

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

**Scrutiny Considerations:**

The committee received a report from the Executive Councillor for Finance and Resources.

In response to member’s questions the Executive Councillor for Finance and Resources said the following:

- i. The new ‘Fixed-Term Priority Project Fund’ (FTPPF) would be available for funding non-ongoing and fixed-term projects, and would not result in a reduction in flexibility.
- ii. The Cambridgeshire Collective Switching Scheme would only be successful if promoted effectively. The proposed funding would therefore be used for this purpose.

- iii. The Training, Seminar and Conference budget had been historically underspent, and these funds would now be redistributed according to need. A report on the reasons behind this historic underspend would be brought to a future Strategy and Resources Scrutiny Committee.
- iv. Through informal discussions the Unions had expressed no concerns regarding cuts to the Training, Seminar and Conference budget. Discussion would take place with the Head of Human Resources (HR) about the report also being considered at the Joint Staff Employer Forum (JSEF).
- v. Only a very small number of public toilets in the City would be affected by the change to the pricing structure. This additional income would not be used to fund the Anti-Poverty Strategy as incorrectly report by the Cambridge News, and alterations to the toilets would be funded from existing R&R budgets.

Councillor Catherine Smart proposed the Liberal Democrat 2014/15 Budget amendment.

Full details of the Liberal Democrat 2014/15 Budget amendment available via:

<http://democracy.cambridge.gov.uk/documents/b8353/Budget%20201415%20-%20Lib%20Dem%20Amendment%2014th-Jul-2014%2017.00%20Strategy%20and%20Resources%20Scrutiny%20Committee.pdf?T=9>

In response to member's questions Councillor Catherine Smart and Councillor Cantrill said the following:

- i. The funding for the Living Wage Week would enable a link to the national campaign.
- ii. The seasonal part-time Park Rangers would provide guardianship to the most frequented public spaces in the City. The exact detail of their role would need to be discussed further with officers.

On a show of hands the amendment was lost by 3 votes to 5.

The Scrutiny Committee considered the recommendations and endorsed them by 5 votes to 3.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/49/SR Annual Treasury Management Report 2013/14**

**Matter for Decision:** The Council was required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.

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

The Executive Councillor resolved:

- i. To recommend the report to Council, which included the Council's actual prudential and treasury indicators for 2013/14.
- ii. To recommend to Council the amendments to the Treasury Management Strategy as summarised below:-
  - Increase Counterparty limits
  - Increase the limits for investments greater than 1 year.
  - Include other Building Societies on Counterparty list
  - Include suggested foreign banks on Counterparty list
  - Include Investment Commercial Properties on Counterparty list pending a more detailed report on commercial property to the Chair, Executive Councillor and Spokes.

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

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

**Scrutiny Considerations:**

The committee received a report from the Section 151 Officer.

In response to member's questions the Section 151 Officer and the Accountant (VAT and Treasury) said the following:

- i. The proposal was to include building societies on the counterparty list with an asset value greater than £5 billion. Building societies that had previously failed had a much lower asset value than this.
- ii. CCLA managed a pooled property asset vehicle that would seek a return on behalf of the City Council. The annual fee was 0.65% per annum with an approximate 6.5% return on this type of investment. Whilst this would include some local commercial property investments, spreading the risk meant that it could be managed more effectively.
- iii. Proposals for local based commercial property investments would be managed via the Mid-Year Financial Review (MFR) process.
- iv. With regards to the expansion of asset classes to include certificates of deposit, the current investment level stood at £7 million. Due to the limited risk it was proposed to increase this.

Councillor Cantrill raised concern about the inclusion of commercial property investment on the Counterparty list. It was suggested that more detail on risk was needed.

After some discussion the committee resolved unanimously to amend recommendation ii) as follows (addition underlined):

- i. Recommend the amendments to the Treasury Management Strategy which are summarised below:-
  - Increase Counterparty limits
  - Increase the limits for investments greater than 1 year.
  - Include other Building Societies on Counterparty list
  - Include suggested foreign banks on Counterparty list
  - Include Investment Commercial Properties on Counterparty list pending a more detailed report on commercial property to the Chair, Executive Councillor and Spokes.

The Scrutiny Committee considered the amended recommendations and endorsed them unanimously.

The Executive Councillor approved the amended recommendations.



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

Not applicable.

**14/50/SR 2013/14 Revenue and Capital Outturn, Carry Forwards and Significant Variances (Customer Services and Resources Portfolio)**

**Matter for Decision:** The report presented a summary of the 2013/14 outturn position (actual income and expenditure) for services within the Customer Services & Resources portfolio, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets were highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2014/15 and future years where relevant, were identified.

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

The Executive Councillor resolved:

- i. To recommend Council to approve the carry forward requests totalling £180,520 as detailed in Appendix C of the officer's report.
- ii. To recommend Council to carry forward capital resources to fund rephased net capital spending of £1,459,000 from 2013/14 into 2014/15 and future years where relevant, as detailed in Appendix D of the officer's report.

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

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

**Scrutiny Considerations:**

The committee received a report from the Section 151 Officer.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Executive Councillor approved the recommendations.



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

Not applicable.

**14/51/SR 2013/14 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Overview**

**Matter for Decision:** The report presented a summary of the 2013/14 outturn position (actual income and expenditure) for all portfolios, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets were highlighted. Requests to carry forward funding arising from certain budget underspends into 2014/15 were identified.

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

The Executive Councillor resolved:

**Revenue**

- i. To recommend Council to agree the final carry forward requests, totalling £469,010, as detailed in Appendix C of the officer's report, subject to the final outturn position.

**Capital**

- ii. To recommend Council to carry forward (net) capital resources to fund re-phased capital spending of £15,828,000 as shown in Appendix D of the officer's report - Overview. (Note: this includes HRA £11,733,000).

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

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

**Scrutiny Considerations:**

The committee received a report from the Section 151 Officer.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/52/SR Environmental Initiatives with University of Cambridge**

**Matter for Decision:** On 8 July 2013 Strategy & Resources Committee supported a Memorandum of Understanding to be signed with the University of Cambridge to investigate a district heating scheme for central Cambridge. A Sponsors Board was then established to lead the work and three city councillors were appointed to the Board. The Board subsequently met and received further advice when it became clear that the business case for the proposed scheme was no longer expected to be financially viable. The Board therefore resolved not to undertake further work on the scheme. Arup consultants were, however, commissioned to establish if there were other options for collaboration on strategic carbon initiatives between the Council and the University. The conclusions of this work was included in this report and it was recommended that the two organisations keep open the opportunity to explore possible future heat connections between City Council and University Buildings.

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

The Executive Councillor resolved:

- i. To note the decision of the District Heating Scheme Sponsors Board not to pursue the proposed central Cambridge District Heating Scheme.
- ii. To support future collaboration between the Council and the University of Cambridge on strategic carbon initiatives where there was a strong environmental and financially viable business case.

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

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

**Scrutiny Considerations:**

The committee received a report from the Director of Environment.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/53/SR Sustainable City Grants Review**

**Matter for Decision:** The report set out the findings from a review of the grants, and proposed changes to the total budget available and a move to a commissioning based approach to ensure that grants are more closely aligned to the council's environmental policy objectives.

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

The Executive Councillor resolved:

- i. To agree the proposed budget of £30,000 for the Sustainable City Grants from 2015/16 onwards and to cash limit the grants from this point forward.
- ii. To move from a grant funding approach to a commissioning approach for the Sustainable City Grants from 2015-16 onwards, as outlined at 5.9 – 5.13 of the officer's report.

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

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

**Scrutiny Considerations:**

The committee received a report from the Strategy and Partnerships Manager.

In response to member's questions the Strategy and Partnerships Manager said the following:

- i. An annual commissioning round would be promoted to local voluntary and community groups in October each year. A 'bottom up' approach would be preferred whilst maximising value for money based on the wider strategy.
- ii. Whilst 22 responses was quite low the City Council had promoted the consultation widely. The consultation ran for 12 weeks and was promoted via the website, Twitter and to specific voluntary groups and organisations in the City.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/54/SR Anti-Poverty Strategy**

**Matter for Decision:** The City Council plans to develop an Anti-Poverty Strategy with the aim of improving the standard of living and daily lives of those residents in Cambridge who were currently experiencing poverty, but also to alleviate issues that could lead households to experience financial pressures. The aim of the Strategy was to bring greater focus and coordination to the Council's existing efforts to address poverty, while identifying areas where the Council could have even greater impact. The report set out the broad approach for the development of the Strategy and proposed draft objectives for public consultation.

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

The Executive Councillor resolved:

- i. To approve the draft objectives for the Anti-Poverty Strategy, as set out at 4.10 of the officer's report.
- ii. To approve use of the draft objectives for the Anti-Poverty Strategy, set out at 4.10 of the officer's report, as the interim objectives for the Sharing Prosperity Fund until the final Strategy was completed.
- iii. To approve the proposed approach and timescales for developing the Anti-Poverty Strategy, as set out at 4.11 of the officer's report.

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

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

**Scrutiny Considerations:**

The committee received a report from the Strategy and Partnerships Manager.

In response to member's questions the Strategy and Partnerships Manager said the following:

- i. Much work was already being undertaken with residents on low incomes and further targeted initiatives had been identified in the budget amendment.
- ii. Partnership working would be required to fully address poverty issues across the City.

At the request of Councillor Cantrill the recommendations were voted on separately.

The Scrutiny Committee considered the recommendations and endorsed them by:

- i. Unanimously: To approve the draft objectives for the Anti-Poverty Strategy, as set out at 4.10 of the officer's report.

- ii. By 5 votes to 0: To approve use of the draft objectives for the Anti-Poverty Strategy, set out at 4.10 of the officer's report, as the interim objectives for the Sharing Prosperity Fund until the final Strategy was completed.
- iii. Unanimously: To approve the proposed approach and timescales for developing the Anti-Poverty Strategy, as set out at 4.11 of the officer's report.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/55/SR Insurance Services Contract**

**Matter for Decision:** The existing contract for Insurance Services expired on 31<sup>st</sup> March 2015. The report sought Executive Councillor approval to re-tender in accordance with the Council's Contract Procedure Rules.

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

The Executive Councillor resolved:

- i. To authorise officers to undertake the re-tendering and award of the Council's Insurance Services contract for an initial period of 3 years to 31<sup>st</sup> March 2018 with the Council's option to extend the contract for a further period up to 2 years to 31 March 2020, subject to the preferred tender price being within 5% or less of the approved budget and if necessary to the approval of the Director of Transformation to any additional expenditure.
- ii. To approve the appointment of a broker to assist with the tender process.

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

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

**Scrutiny Considerations:**

The committee received a report from the Support Services Manager.

In response to member's questions the Support Services Manager said the following:

- i. Tree claims including subsidence claims are dealt with under the Council's Public Liability Insurance Policy.
- ii. The Council would not be covered by its insurance policy if it failed to abate the nuisance (the Council would effectively self-insure).

The Scrutiny Committee considered the recommendations and endorsed them unanimously

The Executive Councillor approved the recommendations.

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

Not applicable.

**Exclusion of Press and Public**

For the following item the Committee resolved to exclude members of the press and public from the meeting on the grounds that, if they were present, there would be disclosure to them of information defined as exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**14/56/SR Land at Cowley Road, Cambridge**

**Matter for Decision:** Land at Cowley Road, Cambridge

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

As per the officer's confidential report.

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

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

**Scrutiny Considerations:**

The committee received a report from the Head of Property Services.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/57/SR Future Meeting Times for Strategy & Resources Scrutiny Committee**

The committee resolved to retain the current start time of 5pm.

**14/58/SR Oral Report From the Leader and Proposals for 'Lead Councillors'**

The Leader gave an oral update on his portfolio and introduced the role of the following Lead Councillors:

Lead Councillor for Disability: Councillor Bird

Lead Councillor for Equalities: Councillor Ratcliffe

Lead Councillor for Domestic Violence and Community Safety: Councillor Sinnott.

In response to member's questions the Leader said the following:

- i. Executive authority for decision making remained with Executive Councillors and therefore no change in governance structures or the constitution was required.
- ii. Lead Councillors would act in an advisory position.



- iii. Lead Councillors would be similar to the old 'Councillor Champion' roles but with more clarity.
- iv. Additional Portfolio Plans would not sit alongside these roles.
- v. Lead Councillors would focus on opportunities to improve service delivery.

At the request of the Leader, Councillor Cantrill agreed to provide a full list of 'Councillor Champions' achievements over the last 10 years.

### **14/59/SR 2013/14 Revenue and Capital Outturn, Carry Forwards and Significant Variances (Strategy Portfolio)**

**Matter for Decision:** The report presented a summary of the 2013/14 outturn position (actual income and expenditure) for services within the Strategy portfolio, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets were highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2014/15 and future years were identified.

#### **Decision of the Leader**

The Leader resolved:

- i. To agree that the carry forward requests for £17,320 as detailed in Appendix C of the officer's report be recommended to Council for approval.
- ii. To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £436,000 from 2013/14 into 2014/15 as detailed in Appendix D of the officer's report.

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

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

#### **Scrutiny Considerations:**

The committee received a report from the Section 151 Officer.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Leader approved the recommendations.

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

Not applicable.

**14/60/SR Review of the Living Wage Policy and Accreditation**

**Matter for Decision:** The purpose of the report was to explore options for the Council becoming a Living Wage Employer accredited by the Living Wage Foundation.

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

The Executive Councillor resolved:

- i. To adopt a living wage policy in respect of contractors as set out in paragraph 4.13 of the officer's report to the extent permitted by law.
- ii. To authorise the Director of Business Transformation to seek accreditation from the Foundation as a UK Living Wage employer.
- iii. To authorise the Director of Business Transformation to make such minor alterations to the approach set out in the officer's report as may be required to achieve accreditation following consultation with the Executive Councillor, Chair and Opposition Spokes.
- iv. To amend the Contract Procedure Rules accordingly.

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

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

**Scrutiny Considerations:**

The committee received a report from the Head of Legal Services.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/61/SR Shared Services**

**Matter for Decision:** The report provided members with an update on the Council's current shared service arrangements and the potential for the further sharing of services going forward. It also suggested an approach to governance around this subject.

**Decision of the Leader**

The Leader resolved:

- i. To endorse the proposed outcomes for shared working in Section 4.1 of the officer's report as the basis for shaping future shared service work for the Council.
- ii. That a joint project governance structure be set up with a Member Steering Group overseeing the process supported by a shared service project board as described in Section 7 of the officer's report.
- iii. That the Council Leaders be appointed to that Steering Group with the power to co-opt individual relevant portfolio holders as required.
- iv. That an 'in principle' agreement be given to a shared services between South Cambridgeshire District Council (SCDC) and Huntingdon District Council (HDC) for ICT and Legal as set out in the report and that the project board be tasked with agreeing outline business cases by September 2014.

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

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

**Scrutiny Considerations:**

The committee received a report from the Director of Business Transformation. In response to member's questions the Director of Business Transformation said the following:

- i. The initial work would provide a 'road map' highlighting potential opportunities for shared services
- ii. Improved ICT may open up opportunities for shared services elsewhere – i.e back office functions.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Leader approved the recommendations.

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

Not applicable.

The Chair ruled that under 100B(4)(b) of the Local Government Act 1972 the following item be considered despite not being publicly available to the Committee for five clear working days.

**14/62/SR Disposal of 18a and freehold to 18b Magrath Avenue**

**Matter for Decision:** To dispose of an HRA dwelling asset at 18a Magrath Avenue, Cambridge as a joint venture with the long leaseholder of 18b Magrath Avenue.

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

The Executive Councillor resolved:

**Financial recommendations –**

- i. To approve the project to dispose of an HRA asset, subject to resources being available to fund any associated capital and revenue implications.

- The total capital cost of the project is estimated to be £5,000
- The capital receipt that the Council would expect to realise is in the region of £237,500, depending upon market forces at the point of sale.
- The revenue impact of the initial disposal would be negligible, with the loss of rental income for the dwelling being offset by a reduction in management and maintenance expenditure, and the ability to earn interest on the capital receipt.
- The net ongoing revenue return for this project would be £4,300 per annum in the longer term, assuming the capital receipt was in future used to fund two replacement dwellings.

**Procurement recommendations:**

- ii To approve the carrying out and completion of the procurement of an agent to act on behalf of the Council and the owner of 18b Magrath Avenue, in agreement with said owner. The cost of this work was expected to be in the region of £7,200, so one quote would be required, with the Councils' share of this cost to be met from the anticipated capital receipt for the sale.

**Subject to:**

- The permission of the Section 151 Officer being sought prior to proceeding if the quotation or tender sum exceeded the estimated contract.
- The permission from the Executive Councillor being sought before proceeding if the value exceeded the estimated contract by more than 15%.

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

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

**Scrutiny Considerations:**

The committee received a report from the Head of Property Services and the Director of Customer and Community.

In response to member's questions the Head of Property Services said the following:

- i. Whilst officers did consider market forces at the point of sale, a negotiation was required. Without the agreement of both parties, neither could benefit.
- ii. The difference between leasehold and freehold had been factored into the negotiations.

The Scrutiny Committee considered the recommendations and endorsed them unanimously.

The Executive Councillor approved the recommendations.

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

Not applicable.

The meeting ended at 8.26 pm

**CHAIR**



To: Executive Councillor for Finance and Resources

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources 29 September 2014

Wards affected: All Wards

## **MID-YEAR FINANCIAL REVIEW (MFR) OCTOBER 2014**

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### Key Decision

#### **1. Executive Summary**

- 1.1 This report presents and recommends the budget strategy for the 2015/16 budget cycle and specific implications, as outlined in the Mid-year Financial Review (MFR) October 2014 document, which is attached and to be agreed.
- 1.2 This report also recommends the approval of one new capital item and changes to phasing and funding proposals of the Council's Capital Plan which will be included in the updated version published separately on the Council's web site.
- 1.3 At this stage in the 2015/16 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2014 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating the 2014/15 revised and 2015/16 budgets. All references in the recommendations to Appendices, pages and sections relate to the MFR Version 1.
- 1.4 The recommended budget strategy is based on the outcome of the review undertaken together with financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MFR.

## **2. Recommendations**

The Executive Councillor is asked to recommend to Council:

### **General Fund Revenue**

- 2.1 To agree the budget strategy, process and timetable for the 2015/16 budget cycle as outlined in Section 1 [pages 6 to 7 refer] and Appendix A of the MFR document.
- 2.2 To agree incorporation of the budget savings and pressures, identified in Section 4 [pages 16 to 18 refer]. This provides 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 19 refers] of the MFR document.

### **Capital**

- 2.3 To agree:
  - 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
  - other changes to the Capital Plan, predominantly re-phasing

as set out in Section 6 [pages 20 to 23 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 23 refers]

### **Reserves**

- 2.4 To agree 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 24 to 25 refer].



### **3. Background**

#### **Mid-year Financial Review**

- 3.1 The purpose of this report is to outline the overall financial position of the Council and to consider the prospects for the 2015/16 budget process within the context of projections over the medium-term. The detailed analysis undertaken to fulfil this is presented in the Mid-year Financial Review (MFR) October 2014 document appended to this report.
- 3.2 The document considers the General Fund revenue position and the Council's overall Capital Plan.
- 3.3 Revenue forecasts are presented for the 5-year projection period through to the year 2019/20, demonstrating the sustainability of the Council's financial planning with reference to the level of reserves held throughout this period. Underpinning this is a full 25-year financial model, and associated risk analysis.
- 3.4 The report considers the effects of external factors affecting budget preparation, including the overall economic climate, and external funding levels which can reasonably be expected; as well as the existing commitments of the Council.
- 3.5 Recommendations for approval of specific revenue and capital costs as identified, are included.
- 3.6 The analysis undertaken leads to a recommended integrated financial strategy for the 2015/16 detailed budget-setting process.

### **4. Implications**

- 4.1 These are incorporated in the document and will be taken account of in the subsequent budget reports to all Executive Councillors / Scrutiny Committees.

## **5. Background Papers**

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

MFR Working Papers on the 2014/15 and 2015/16 files

## **6. Appendices**

MFR October 2014: 2014/15 to 2019/20 Document

## **7. Inspection of papers**

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

Author's Name: Caroline Ryba  
Author's Phone Number: 01223 - 458134  
Author's Email: [caroline.ryba@cambridge.gov.uk](mailto:caroline.ryba@cambridge.gov.uk)

Version 1

# General Fund Mid-year Financial Review

## October 2014

2014/15 to 2019/20

Cambridge City Council



## Contents

Section No.	Topic	Page No.
	Foreword by the Leader of the Council and the Executive Councillor for finance and Resources	2
1	Introduction to the Mid-year Financial Review	5
2	Policy context, priorities and external factors	8
3	Review of key assumptions	14
4	Mid-year budget Issues	16
5	General Fund: Expenditure and funding	19
6	Capital plan	20
7	Risks and reserves	24
8	Conclusion	26

## Appendices

Reference	Topic	Page No.
A	Financial planning timetable	30
B	Calculation of GF reserve levels	32
C	Earmarked and specific funds	34

## Foreword by the Leader of the Council and the Executive Councillor for Finance and Resources

This Mid-year Financial Review shows the enormous financial challenge faced by Cambridge City Council in delivering the quality future services our residents need. It reveals that the scale of savings required, in the context of existing government spending cuts, is greater than previously assumed due to a long list of unavoidable and unpredictable pressures on our budget. It also shows how the financial risks faced by the council have increased in recent years because of the extra responsibilities passed down from central to local government. Addressing these issues is a daunting, but not unassailable, task. This document gives an initial indication of our strategy as we move towards the new administration's first budget in early 2015.

The underlying challenge is the Coalition Government's austerity programme, which has fallen particularly hard on local government, as well as too often on the poorest in our community. This review underlines the likelihood of continued likely yearly funding cuts of 13% per year. Other sources of funding are also uncertain, such as New Homes Bonus and the retained element of business rates. In the latter case, the risk inherent in the collection of business rates, valuations of which are subject to an unpredictable appeals process, means that the anticipated growth in business rate revenue is not materialising. The transfer of risk to local government has been exacerbated by the rushed and poorly-planned process by which the government has implemented it, and other measures like welfare reform.

These increased risks are why we have recalculated our target general reserves level slightly upwards. This will provide a more robust basis for our long-term financial stability, as well as redirecting some of the risk-bearing burden away from earmarked reserves towards general reserves.

In addition to the effect of the predictable continued reduction of our core government funding, which already implied a savings target for 2015/6 of approximately £1.3m, a series of unforeseen revenue pressures has effectively increased our savings requirement to over £1.8m. This is in the context of the overall projection of the need for £6m savings in the next 5 years. Pressures include changes to accounting for the division of interest on capital receipts between the General Fund and the Housing Revenue Account, disappointing projected reductions in rental income on the Lion Yard, and similar rental reductions from our wider commercial property portfolio.

A detailed programme of savings will be developed. Those published now have been assessed to be at a sufficient stage of readiness to be included in this Mid-year Financial Review. We have erred on the side of caution in only including, at this stage, quantified savings that we are absolutely certain of, both in terms of deliverability and scale.

We will continue work on our four budget strategy themes. Initiatives underway such as the new building cleaning contract will deliver further savings in due course, but we have decided against giving a false sense of security now by prematurely estimating their impacts, before their scale and deliverability are completely certain.

As such, the current set of deliverable savings included in this document does reduce the savings target to a more manageable level of approximately £1.2m for 2015/16, but we still face huge challenges. This raises the question of our future financial strategy.

A major part of this will be the delivery of detailed service reviews and savings, and opportunities to make our assets work harder, for inclusion in the next Budget Setting Report (BSR) to be published in January. These will include major transformations in the way we deliver services, such as by setting up external trusts to run services in a socially-inclusive but more efficient way, as in the case of 'Cambridge Live', our new Cultural Trust, as well as shared services working with South Cambridgeshire District Council, Huntingdonshire District Council and other partners. It also includes hard choices on issues left to us from the previous administration such as the reduction of the Community Grants budget, which will be carefully planned and focussed to help deliver our social objectives of reducing inequality and poverty in Cambridge. We will continue to focus our discretionary services more intelligently in order to concentrate assistance on those in most need, while not losing our ambition to deliver for all our residents, businesses and visitors and be far more than an 'average' district council. As the Business Transformation Programme comes fully on-stream, a new range of innovative initiatives will become possible. We will reduce overheads as the Council transforms into a more stream-lined operation. We will update how we interact with our residents by means of digital innovation and inclusion. On the City Deal, more radical visions of shared services in areas such as planning and transport will be implemented.

In the short term, we will need to find more immediate savings, as many of our transformational projects are 'back-loaded', producing significant, but not instant, efficiencies. As such, we need to look at other areas for means of promptly finding the scale of savings required.

Part of this will be on the capital side. This review gives more detail on our proposed review of the capital projects plan, which will feed into the 2015/16 budget. The Council's capital planning has been plagued by slippage and delay for years. It is unwieldy, and has been funded partly by an

annual revenue contribution to capital of £880,000, which, due to backlogs in delivery, has built up to the tune of £3m in the current year. We will look very carefully whether the scale of this revenue contribution to capital, which is much larger than comparable local authorities, is sustainable. A more manageable capital plan that promises less but delivers more is expected to be the way forward. Savings should also be possible from the upcoming review of earmarked reserves, yearly contributions to which routinely total around £3m.

We will become more entrepreneurial. The investment return from the property portfolio promised by the previous administration has not been delivered, because it was based on an unreliable funding source that has not materialised. In the 2015/16 budget, in order to gain the long-term revenue streams that will help us address our future savings targets, we will rectify this by freeing up the resources from the existing capital plan to make a substantial new investment in commercial property. As part of the 2015/16 budget strategy, we are also conducting a more extensive and innovative budget consultation, incorporating new software and online engagement, to give our residents the chance to understand the pressures the council is under and give us a steer on how they would tackle the situation. This will inform our choices and allow us to better comprehend the priorities of the people of Cambridge, within the context of the real-life, complex set of budgetary choices that the council faces.

In conclusion, we have not tried to present a 'mini-budget' in this review, nor the lengthy and speculative analysis that featured in parallel reviews in earlier years. We have instead limited it to its core purpose of assessing the challenges we face, reviewing our assumptions and giving a clearer picture to inform the next budget, as well as giving an initial outline as to how we will strategically address our overall financial situation. It is a slimmed down and purposeful document, which will act as a prelude to detailed examination of how we will protect the council's long-term viability and secure crucial front-line services. In addition to protecting services for all, we are also determined to find the resources for our top priorities, particularly the recommendations of the developing Anti-Poverty Strategy and the task of building a more equal and socially united city: 'One Cambridge, Fair for All'.

**Cllr Lewis Herbert - Leader of the Council**

**Cllr George Owers – Executive Councillor for Finance and Resources**

# Section 1

## Introduction to the Mid-year Financial Review (MFR)

### Background

The Mid-year Financial Review (MFR) for the General Fund (GF) is part of the forecasting and budget setting process which culminates in the Budget Setting Report (BSR) being presented to Council in February each year, at which time the Council Tax level for the following financial year is set.

The BSR sets out the Council's financial strategy over the medium-term, based on a range of assumptions and forecasts. This review takes the BSR as the effective 'direction of travel', reviews the key assumptions on which it is based and makes any changes necessary as a result. Other factors such as national and local policy changes, current and forecast economic indicators and new legislation may also give rise to amendments.

This MFR reflects the change in control at the Council, and introduces a number of fundamental reviews of the way the council uses and manages its finances. The recommendations from these reviews will be used to inform the BSR in February 2015.

The GF MFR incorporates a review of the current year's budget position (2014/15), and updated projections for the 4 years from 2015/16 to 2019/20, to demonstrate the full-year effects of any changes in assumptions made and of their impact in terms of savings requirements and potential changes required in services and their delivery.

A key part of the mid-year review processes is the identification of:

- Items which require immediate action or approval
- Items which provide context for decisions on the strategy or process, influencing:



- o The level at which any Priority Policy Fund (PPF) is set
- o Resources to be made available for funding the Capital Plan
- o The level of spending reductions required
- o The level of the GF general reserves

## Budget consultation

Cambridge City Council is consulting residents in the city during September 2014 on priorities for its budget in 2015/16. We are using the interactive YouChoose software, developed by the London Borough of Redbridge and the Local Government Association. This allows residents to play the role of a Councillor, suggesting how the Council should spend money on services. They are able to suggest how much the budget for key services should be increased or decreased by, provided the overall budget they identify balances at the end of the exercise. Residents taking part in the consultation will need to make some difficult choices, as the total budget (net annual spend) they identify will need to be £6 million lower than the Council's current budget, to reflect the level of savings that the Council needs to achieve over the next four years.

To ensure that the consultation reflects a range of views, a representative sample of Cambridge residents will be interviewed in their homes. The final report from the consultation will be available in early December 2014 and the findings will inform the decisions that Councillors make about the Council's budget for 2015/16.

## Timetable

The detailed financial planning and budget preparation timetable is included at Appendix A. Key dates and decision points are set out below:

Date	Task
<b>2014</b>	
29 September	Strategy & Resources Scrutiny Committee consider the GF MFR for recommendation to Council by the Leader
6 November	Council considers both GF and HRA MFR reports
<b>2015</b>	
7 January	Budget Setting Report (BSR) published

(Provisionally)	
19 January	BSR considered by Strategy & Resources Scrutiny Committee
22 January	The Executive consider and recommend the BSR and Council Tax level to Council
5 February	Special Strategy & Resources Scrutiny Committee to consider any budget amendment proposals
26 February	Council approves Budget Setting Report and sets the level of Council Tax for 2014/15

# Section 2

## Policy context, priorities and external factors

### Local policy context and priorities

#### Annual Statement

The local policy context and priorities for the Council are agreed in May or June 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:

<https://www.cambridge.gov.uk/annual-statement>

The Leader's Foreword to this MFR now supplements the Annual Statement by setting a direction of travel for the Council which responds to the future financial outlook.

#### Partnership working

The Council works in partnership with a range of other bodies where this can bring additional benefits to the people who live work and study in our area, especially when this leads to a pooling of resources and skills to achieve a common aim. Significant changes in partnership working since publication of the February 2014 BSR are highlighted below.

#### City Deal

The City Council has been working with Cambridgeshire County Council, South Cambridgeshire District Council, the University of Cambridge and the Greater Cambridge Greater Peterborough Local Enterprise Partnership to develop proposals for a Greater Cambridge City Deal with Government. The Chancellor's Budget in March 2014 announced a grant of "up to £500 million", to be released over a 15 to 20 year period. This has the potential to be matched by up to another £500 million by the local partners including through using the proceeds of growth. The first £100m is expected to be released in 2015/16. The final wording of

the agreement is available on the web, and the detail of the "triggers" is now being discussed with central Government.

## National policy context

The impact that National Policy announcements, outside of the control of the organisation, have on financial forecasts are shown below.

## Government spending announcements

The Chancellor published the Budget Settlement on 19 March 2014, which set out the position on the national finances and a number of measures that the Government were intending to take.

- Government will consult on a 'Right to Build' which will give builders the right to a plot from public sector land and a £150 million repayable fund to help provide up to 10,000 serviced plots for custom build. There will also be a £500 million Builders' Finance Fund, which will provide loans to developers to unlock 15,000 housing units stalled due to difficulty in accessing finance.
- The landfill tax for 2015-16 will be effectively frozen for one year with only an increase in inflation from the 2014-15 rate. A consultation will be held later in 2014 to determine eligibility and the standard and lower rates from 2016-17 onwards.
- A welfare spending cap for the years 2015-16 to 2018-19 at the level of the Office for Budget Responsibility's forecast. The level of the cap is set at £119.5 billion for 2015-16. A forecast margin of 2 per cent above this level will ensure that action is not triggered by small fluctuations in the forecast. The cap will apply to all welfare spending in the "Annually Managed Expenditure", with the exception of the state pension and the automatic stabilisers.
- A commitment to a City Deal for Greater Cambridge, see above.

## Local Government finance

Although there are some early positive signs of recovery within the economy as a whole, the rebalancing exercise that the Government is committed to has not yet been fully delivered. Therefore it appears 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.

## 2015/16 and future years

The 2014 BSR includes the latest announcement from the Government of the funding level (Settlement Funding Assessment, or SFA) provided for 2015/16. This is £6,901,322 compared to £8,115,278 for 2014/15, a reduction of 15% or £1.21m.

The Government has not yet given any indications of the likely core funding levels for 2016/17 and beyond at a local authority level. Therefore, the 2014 BSR assumes that the level of SFA continues to reduce at a similar rate to that over the last two years until such time as the entire Revenue Support Grant (RSG) element has been removed. This equates to a 13% reduction on SFA in each of the 4 years from 2016/17. It is also assumed that there is no increase in entitlement through locally retained share of business rates. Whilst any funding levels projected for 2016/17 and beyond are hypothetical at this stage, this projection is considered to be a prudent basis for the purpose of developing indicative budgets for these years.

The effects on the projections, which are included in the February 2014 BSR, are shown below:

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>Total SFA - per February 2014 BSR</b>	6,901	6,014	5,224	4,552	3,962
<b>Increase in net revenue savings required in year</b>		<b>887</b>	<b>791</b>	<b>671</b>	<b>590</b>

## New Homes Bonus

The New Homes Bonus (NHB) was launched in 2010 as a non-ringfenced payment to all local authorities based on the number of new homes added each year within its area. The eligible amount is then paid for each of a period of 6 years.

NHB receipt estimates, based on projections of future housing completions and empty homes brought back into use, are shown below. It should be noted that for the purposes of the GF funding projections given in Section 5, only NHB relating to new homes added in 2014/15 and before has been included. This is a prudent approach, as the continuation of this funding source is considered to be uncertain.

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<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	-	(1,358)	(1,358)	(1,358)	(1,358)	(1,358)
Estimated NHB receipts for 2016/17	-	-	(1,968)	(1,968)	(1,968)	(1,968)
Estimated NHB receipts for 2017/18	-	-	-	(1,516)	(1,516)	(1,516)
Estimated NHB receipts for 2018/19	-	-	-	-	(1,158)	(1,158)
<b>Potential New Homes Bonus Total</b>	<b>(3,376)</b>	<b>(4,734)</b>	<b>(6,702)</b>	<b>(7,431)</b>	<b>(7,854)</b>	<b>(7,291)</b>
<b>Commitments against NHB</b>						
Funding for officers supporting growth e.g. within planning	818	785	785	785	785	785
Replacement of Homlessness 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</b>	<b>-</b>	<b>(2,365)</b>	<b>(4,473)</b>	<b>(6,082)</b>	<b>(6,505)</b>	<b>(6,253)</b>

As part of the Greater Cambridge City Deal, the Council is currently in negotiation with partners regarding future contributions towards the funding of infrastructure development to be taken from this NHB funding. The use of NHB, including existing commitments, will be reviewed and detailed proposals will be included in BSR2015.

## Welfare reforms

The introduction of Universal Credit, which replaces a range of existing means-tested benefits and tax credits, with a single payment, has been delayed, with introduction in Cambridge now anticipated to be on or after April 2017.

From this date new claims for working age people for Job Seekers Allowance (income based), Income Support, Employment & Support Allowance (income related), Child Tax Credit, Working Tax Credit and Housing Benefit will claim Universal Credit. Customers will be paid directly, and will receive one monthly payment, in arrears, administered centrally by the DWP. Pensioners continue to be excluded from these arrangements at present.

## **External factors**

After a period of generally disappointing growth in 2011 and 2012, the UK economy showed clear signs of recovery during 2013 and this has continued in 2014/15. All major industry sectors and regions are now showing positive growth trends.

Inflation appears to be under control for now, but interest rates are likely to start rising gradually from late 2014 or early 2015 in order to keep inflation around target in the longer term. The housing market remains an important source of risk for the UK economy, together with possible global shocks and relatively weak productivity growth.

## **Inflation rates**

The base rate of inflation used to drive expenditure assumptions in the GF financial forecasts has been the Consumer Price Index (CPI). The base level of inflation included within forecasts for the BSR from 2014/15 onwards was 2% reflecting the Government target for CPI. For June 2014 CPI was 1.9%, up from 1.5% in May. Over the past year, inflation has fallen, and is currently a little below the 2% target. While the outlook is uncertain, the Bank of England's latest forecasts contained in the May 2014 Inflation Report project that inflation is likely to remain close to 2% over the next few years.

## **Interest rates on deposits**

The Council lends externally, on a short-term basis, any cash balances that are held at any point within the financial year. Although anticipated to be slow, recovery in the rates available is predicted in the longer term.

Status	Year	Interest Rate Earned on Balances
Council Estimated Rates (Capita)	2014/15	0.64%
	2015/16	0.78%
	2016/17	0.78%
	2017/18	1.00%
	2018/19	1.00%

### Interest rates on borrowing

The Council secured preferential borrowing rates from the Public Works Loans Board (PWLB), of between 3.46% and 3.53% for the HRA self-financing loan portfolio of just under £214m taken out on 28th March 2012. Any additional borrowing must be within the level of the current Authorised Borrowing Limit, resulting in maximum borrowing in the region of £16m still being available. Interest rates on any additional borrowing will depend on the source of the borrowing, the duration of the loan(s) and interest rates prevailing at the time.



# Section 3

## Review of key assumptions

### Review of key assumptions

Budget forecasts presented in the February 2014 Budget Setting Report were based on a number of key assumptions, for example levels of general and pay inflation, interest rates, future funding requirements and Council Tax levels.

These key assumptions have been reviewed taking account of changes in external factors, Government announcements, latest forecasts and circumstances. The table below highlights where assumptions have been retained and where changes have been made for the purposes of forecasts presented in this document.

Forecast assumptions for future Government grant funding and the prudent minimum balance and target level of the GF Reserve are included in more detail in sections 2 and 7 of this report respectively.

Key area	Assumption	Comment	Status
Pay Inflation	Pay progression cost estimate plus: 2014/15 – 1.0% 2015/16 – 1.0% 2016/17 – 1.5% 2017/18 – 2.0% and 2.5% thereafter	Reflects Government guidance for 2015/16 and a stepped increase thereafter, reflecting economic recovery.	Retained

Key area	Assumption	Comment	Status
Employee turnover	3%	In general, employee budgets assume an employee turnover saving of 3.0% of gross pay budget. Specific vacancy factors are applied where experience indicates that a different vacancy factor is more applicable.	Retained
General inflation (CPI)		Updated central provisions have been made as appropriate for fuel, electricity and gas based on current knowledge of these markets or revised contractual commitments.  The same inflation factors are applied to Central and Support Services as for direct services.	Retained
Major Contracts	Inflation per contract	Major contracts and agreements, in term, are rolled forward based on the specified indices in the contract or agreement	Retained
Income and charges increases	2.5%	Income and Charges – general assumption of 2.5% ongoing, but specific reviews of all charges required by committees. Property rental income based on detailed projections and rent reviews.	Retained
Capital funding contributions	£0.880m	Capital funding contributions at base level of £0.880m per annum.	Retained
Council Tax increase	2.0% ongoing	Council Tax increase assumed at 2.0% for 2014/15 ongoing.	Retained
Government grant	2015/16 as notified. Straight line reduction assumed thereafter.	Assumption made of decreases each year for 2016/17 onwards until the Revenue Support Grant element reaches zero.	Retained

# Section 4

## Mid-year budget issues

### 2013/14 Outturn

The position for the net spending on General Fund revenue services for the year 2013/14 was an under spending of £1,642k, after allowing for approved carry forward requests of £469k. Taking into account variances on Government funding, statutory capital accounting adjustments, contributions to/ from earmarked reserves and the application of direct revenue funding for capital the overall net effect was an increase in the GF Reserve of £1,204k.

Individual budgets with 2013/14 underspends have been reviewed and on-going savings of £176k have been identified.

### 2014/15 Mid-year review of budgets

#### Revenue savings and spending pressures

A review undertaken of the budget position for 2014/15 has identified a number of revenue savings and spending pressures which require in year management and consideration of their impacts on future savings requirements and budgets. A summary of these pressures and savings are given below and they have been included in the revised projections for the General Fund and savings requirements given in Section 5.

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					
Balance of Land Charges settlement	30					
Lion Yard - revised rental income projections		150	150	150	150	150
Guildhall - reduction in turnover rent receipts.	40	40	40	40	40	40
Trade Waste - Increased disposal costs.	40	40	40	40	40	40
Shortfall in budgeted commercial property income due to investment not made	46	69	84	84	84	84
Investment estate (excluding Lion Yard) – rent and service charge projections		96	96	96	96	96
Statutory adjustment of interest on capital receipts between GF and HRA	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>						
Rebalancing of recharges from GF to HRA	(81)	(81)	(81)	(81)	(81)	(81)
Corporate Strategy	(17)	(17)	(17)	(17)	(17)	(17)
Safer City Grants - Reduction.	(11)	(11)	(11)	(11)	(11)	(11)
Home Improvement Grants – savings as a result of underspends in previous years.	(10)	(10)	(10)	(10)	(10)	(10)
Waste savings	(125)	(55)	(55)	(55)	(55)	(55)
Business rates on moorings not now needed.	(8)	(8)	(8)	(8)	(8)	(8)
Pre application planning advice	(5)	(5)	(5)	(5)	(5)	(5)
Grants to the voluntary sector – savings following review		(308)	(308)	(308)	(308)	(308)
Revised provision for supplies and services inflation		(100)	(100)	(100)	(100)	(100)
HR Savings	-	(56)	(56)	(56)	(56)	(56)
<b>Total deliverable savings</b>	<b>(257)</b>	<b>(651)</b>	<b>(651)</b>	<b>(651)</b>	<b>(651)</b>	<b>(651)</b>
<b>Total pressures less deliverable savings</b>	<b>125</b>	<b>(90)</b>	<b>(75)</b>	<b>(75)</b>	<b>(75)</b>	<b>(75)</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>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	-	(651)	-	-	-	-	<b>(651)</b>
<b>Savings still to be found</b>	-	<b>1,225</b>	<b>1,323</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>	<b>5,966</b>

# Section 5

## General Fund - Expenditure and funding

The following projection of GF expenditure and funding results from applying the recommendations included in this report.

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	17,763	17,002	17,048	16,817
Revenue budget proposals	125	(90)	(75)	(75)	(75)	(75)
Future years PPF provision	0	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	0	(1,225)	(1,323)	(798)	(1,073)	(1,547)
Contribution to reserves	0	0	0	258	0	0
<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)	0	0	0	0	0
New Homes Bonus (NHB)	(3,376)	(3,376)	(3,376)	(2,589)	(1,854)	(1,291)
Appropriations from earmarked funds	0	0	0	0	0	0
Council Tax	(6,706)	(7,024)	(7,349)	(7,650)	(7,842)	(8,038)
Contributions from reserves	(2,224)	(1,131)	0	0	0	0
<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>

# Section 6

## Capital plan

### Approved plan

The Capital Plan was approved by Council in February 2014. Since then, Council has approved further changes to the plan including adding projects carried forward from 2013/14, new approvals and budget amendments.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
<b>Approved at BSR 2014:</b>						
Programmes	5,800	2,932	449	389	0	9,570
Projects	1,835	2,100	1,715	35	0	5,685
<b>Sub-total</b>	<b>7,635</b>	<b>5,032</b>	<b>2,164</b>	<b>424</b>	<b>0</b>	<b>15,255</b>
Provisions	12,163	1,788	352	761	0	15,064
<b>Total</b>	<b>19,798</b>	<b>6,820</b>	<b>2,516</b>	<b>1,185</b>	<b>0</b>	<b>30,319</b>

<b>Changes approved in year:</b>						
Programmes	242	1,488	0	0	0	1,730
Projects	1,088	0	0	0	0	1,088
<b>Sub-total</b>	<b>1,330</b>	<b>1,488</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,818</b>
Provisions	8,258	263	0	0	0	8,521
<b>Total</b>	<b>9,588</b>	<b>1,751</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<b>Current approved plan:</b>						
Programmes	6,042	4,420	449	389	0	11,300
Projects	2,923	2,100	1,715	35	0	6,773
<b>Sub-total</b>	<b>8,965</b>	<b>6,520</b>	<b>2,164</b>	<b>424</b>	<b>0</b>	<b>18,073</b>
Provisions	20,421	2,051	352	761	0	23,585
<b>Total</b>	<b>29,386</b>	<b>8,571</b>	<b>2,516</b>	<b>1,185</b>	<b>0</b>	<b>41,658</b>



## Mid-year review of the plan

On-going monitoring of all projects within the plan indicates a high level of slippage, particularly within the Provisions category, which includes a number of large items such as Green Deal, where delivery timescales are outside the direct control of the Council. As a result, significant rephrasing is proposed.

In addition, a new scheme is recommended for inclusion in the Plan, subject to a detailed project appraisal. The scheme relates to the replacement of air cooling systems to ensure that the latest legislative requirements are met. The total cost is £166,950, to be met partly from available capital funding, see below, and partly from Repairs and Renewals Funds.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
<b>Current approved plan – as above:</b>						
<b>Total</b>	<b>29,386</b>	<b>8,571</b>	<b>2,516</b>	<b>1,185</b>	<b>0</b>	<b>41,658</b>

<b>Changes proposed:</b>						
Programmes - rephasing	(697)	697	0	0	0	0
Projects – rephasing	(582)	529	21	(4)	36	0
Projects – new scheme	167	0	0	0	0	167
<b>Sub-total</b>	<b>(1,112)</b>	<b>1,226</b>	<b>21</b>	<b>(4)</b>	<b>36</b>	<b>167</b>
Provisions - rephasing	(6,273)	6,125	20	128	0	0
<b>Total</b>	<b>(7,385)</b>	<b>7,351</b>	<b>41</b>	<b>124</b>	<b>36</b>	<b>167</b>

<b>Proposed plan:</b>						
Programmes	5,345	5,117	449	389	0	11,300
Projects	2,508	2,629	1,736	31	36	6,940
<b>Sub-total</b>	<b>7,853</b>	<b>7,746</b>	<b>2,185</b>	<b>420</b>	<b>36</b>	<b>18,240</b>
Provisions	14,148	8,176	372	889	0	23,585
<b>Total</b>	<b>22,001</b>	<b>15,922</b>	<b>2,557</b>	<b>1,309</b>	<b>36</b>	<b>41,825</b>

The effect of these changes on the level of unapplied capital funding available is shown in the table below.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
<b>Funding available and unapplied (per Feb 2014 BSR)</b>	<b>(246)</b>	<b>(44)</b>	<b>(562)</b>	<b>(880)</b>	<b>(880)</b>
Proposed new scheme	97				
<b>Revised capital funding availability</b>	<b>(149)</b>	<b>(44)</b>	<b>(562)</b>	<b>(880)</b>	<b>(880)</b>

## Planned review of capital processes and plan

The current size and complexity of the capital plan gives rise to a number of concerns including the:

- Capacity to deliver projects to time, cost and quality;
- Dependency on revenue funding at a time when revenue funding is reducing and revenue budgets are under pressure;
- Inclusion of items that should not, on reflection, be included in the capital plan, such as unallocated funds, projects in an early stage of development and items more properly treated as small enhancements or maintenance spend.

There are also concerns that the processes leading up to the inclusion of an approved project in the capital plan are complex, time-consuming and may not support the effective prioritisation of limited capital spend in line with the Council's objectives.

Therefore it is proposed that a focused review of the processes and procedures underlying capital planning and delivery are performed 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.

# Section 7

## Risks and reserves

### Risks

The Council is exposed to a number of risks and uncertainties which could affect its financial position:-

- Savings plans may not 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 income 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.

### Reserves

#### General Fund 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. Therefore, the prudent minimum balance (PMB) and target level of GF reserves has been reviewed in the light of current risks. Detailed calculations of these amounts are provided in Appendix B.

As a result, the following changes are recommended and have been included in the calculations of net savings requirements in this report.

General Fund reserves	£m
<b>February 2014 BSR</b>	
- Target level – to be achieved by 2017/18	5.00
- Minimum level	2.50
<b>September 2014 MFR – Recommended levels</b>	
- Target level	5.28
- PMB	4.40

The table below shows current and projected levels of GF reserves.

Description	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000's)	2019/20 £000's)
<b>Balance as at 1 April (b/fwd)</b>	<b>(9,176)</b>	<b>(6,952)</b>	<b>(5,821)</b>	<b>(5,821)</b>	<b>(6,079)</b>	<b>(6,079)</b>
Contribution (to) / from reserves	2,224	1,131	-	(258)	-	-
<b>Balance as at 31 March (c/fwd)</b>	<b>(6,952)</b>	<b>(5,821)</b>	<b>(5,821)</b>	<b>(6,079)</b>	<b>(6,079)</b>	<b>(6,079)</b>

## Earmarked and specific funds

In addition to the General Reserve, the General Fund maintains a number of earmarked or specific funds which are held for major expenditure of a non-recurring nature or where the income is received for a specific purpose, see Appendix C.

A review of the purpose and use of these funds is currently underway. The outcomes of this review will be used to inform the BSR 2015.

# Section 8

## Conclusion

### General Fund savings requirements

The February 2014 BSR set a target of £1.3m for ongoing net savings in the GF in 2015/16. Current financial projections, taking account of revised assumptions and incorporating all changes proposed as part of this GF Mid-year Financial Review, show that work remains to be done to balance the budgets for 2015/16 and beyond, with total net savings of over £6.0m to be found in the next five years.

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)	(90)	15	-	-	-	(75)
<b>Revised (MFR) net savings requirement</b>	<b>1,225</b>	<b>1,323</b>	<b>798</b>	<b>1,073</b>	<b>1,547</b>	<b>5,966</b>

### General Fund budget strategy

#### The budget process

The GF budget process for 2015/16 will remain broadly similar to that for previous years, working within an overall cash limit designed to meet both known financial pressures and to create policy space through the provision of Priority Policy Fund (PPF) funding.

The updated base model used to prepare this report has driven the recommendations in respect of the 2015/16 budget process and provided indications of the level of savings required to meet both current and anticipated spending needs.

The GF Mid-year Financial Review has highlighted:

- Additional one-off net spending pressures in the current year, 2014/15;

- On-going pressures arising from reductions in income projections on commercial property and unavoidable cost increases;
- Savings identified for the years 2015/16 to 2018/19, arising mainly from underspends in 2013/14 and reductions in grants awarded; and
- Significant reductions in Government funding in 2016/17, with a strong expectation of reductions at similar levels going forward.

## Identification of further savings

The Council has a record of identifying and delivering savings, through both service reviews and improvements in value for money obtained over all categories of spending. These approaches to finding and delivering savings will continue, but it is expected that the value of new savings found will decrease over time as services become leaner and more cost effective. All the easy to make savings have now been taken.

Funding reductions to date and those projected within this MFR strongly indicate that other methods of generating savings will be required. As a result, the Council has embarked on a long term programme of transformation which will make fundamental changes to the way the Council delivers services and interacts with residents, tenants and other parties. Many of these transformational projects are 'back-loaded' with the aim of producing significant, but not instant, efficiencies. However it is only by taking this more fundamental approach that we can ensure the council will deliver the savings it needs to make into the longer term, whilst developing a new style and shape of organisation which is fit for the new environment we find ourselves in.

The Council's long term budget strategy will be based on the following four themes, which will be reflected in the Budget Setting Report published in January 2015

### 1. Transforming how we deliver services

We will fundamentally reshape the organisation's continued delivery of quality services by:-

- maximising potential for sharing delivery of a number of services, working with South Cambridgeshire District Council, Huntingdonshire District Council and other partners
- delivering more radical visions of shared services in areas such as planning and infrastructure delivery through the City Deal

- tackling unnecessary bureaucracy and reducing the costs of administration and management
- setting up external trusts and arm's length arrangements where they can run services in a socially-inclusive but significantly more efficient way, as in the case of 'Cambridge Live', our new Cultural Trust and the planned 'destination management organisation' for tourism.

## **2. Making best use of all our assets**

- Identifying resources that can be used more effectively to provide pump priming for transformation projects and short term savings to allow these projects to deliver results, including reviewing how we use capital and reserves
- Reviewing our commercial property portfolio, and looking to invest more in property to enhance income, where returns are attractive
- Reducing the number of buildings occupied by the Council so we can free up land for development use and sell surplus properties
- Being more entrepreneurial in the way we deliver services including income generating services
- Working with partners to find new ways of increasing the supply of the affordable housing the city needs.

## **3. Delivering inclusive and easy to use services for all**

- Investing in technology to drive more efficient ways of working
- Transforming how our customers contact us and developing new ways of doing business with the Council
- Working with partners to improve digital skills amongst our residents and reducing digital exclusion.

#### **4.Targeting our services and meeting the needs of the most vulnerable**

- Ensuring we are focused on delivering the services our residents need.
- Targeting the Community Grants budget on reducing inequality and poverty in Cambridge
- Concentrating our discretionary services on those who most need our help.



# Appendix A

## Financial planning timetable

Items that are applicable to the HRA (only) are shown as shaded lines.

Date	Major Stage
2014	
12-Jun	Council adopts Annual Statement setting out plan & priorities from 2014/15
27-Aug	SLT / Exec consider MFR items
17-Sep	General Fund (GF) Mid-Year Financial Review (MFR) published for S&R Scrutiny Committee
18-Sep	Housing Revenue Account (HRA) MFR published
w/c 22 Sep	Finance despatch Budget Process Guidance and Budget Proposal Forms
29-Sep	S&R Scrutiny Committee / Leader recommendation of GF MFR to Council
30-Sep	Housing Committee considers the HRA MFR
01-Oct	Finance despatch Budget Working Papers.
Sept / Oct	MFR & budget briefing for Members
Sept / Oct	Budget process workshops for managers
15-Oct	Managers to complete and return Budget Proposal Forms to Finance for 2015/16 Revenue and Capital Budget Proposals
20-Oct	SLT consider HRA and Capital Budget Proposals
22-Oct	Finance to send proposals to officer groups, including corporate strategy, to assess climate change and poverty ratings and EqIA requirements
w/c 27 Oct	Officer Working Groups meet to consider and comment on budget proposals
28-Oct	SLT / Exec consider HRA and Capital Budget Proposals
29-Oct	GF MFR published for Council on 6 November
03-Nov	SLT consider General Fund Budget Proposals
06-Nov	Council considers GF and HRA Mid-Year Financial Review reports
17-Nov	SLT consider General Fund Budget Proposals
21-Nov	Managers to complete and return budget working papers, incorporating all budget proposals, to Finance
25-Nov	SLT / Exec consideration of General Fund Budget Proposals
08-Dec	HRA EqIA Deadline
10-Dec	SLT / Exec review General Fund and HRA BSR's
15-Dec	General Fund EqIA deadline
17-Dec	Publish HRA Budget Setting Report 2015/16
Dec	Provisional Government Settlement Announcement

Date	Major Stage
2015	
05-Jan	Publish HRA Opposition Budget Amendment
05-Jan	GF budget proposals for Environment Scrutiny Committees published
07-Jan	GF budget proposals for Community Services Scrutiny Committees published
09-Jan	Publish General Fund Budget Setting Report and GF budget proposals for Strategy & Resources
13-Jan	Environment Scrutiny Committee consider budget proposals for own portfolios
14-Jan	Meeting of The Executive agenda published
14-Jan	<b>Housing Committee considers any HRA Budget Amendment</b> <b>Executive Councillor for Housing approves rent levels and revenue budgets</b> <b>Executive Councillor makes final capital proposal recommendations to Council</b> <b>Housing Committee considers General Fund Housing budget proposals</b>
15-Jan	Community Services considers GF proposals for its own portfolios
19-Jan	Strategy & Resources Scrutiny Committee considers GF budget proposals for its own portfolios and GF Budget Setting Report
Jan	Final Government Settlement Announcement
22-Jan	<b>Meeting of The Executive to consider and recommend GF Budget Setting Report and Council Tax requirement</b>
05-Feb	Publish General Fund Opposition Budget Amendment
13-Feb	<b>Special Strategy &amp; Resources Scrutiny Committee considers any GF budget amendment proposals</b>
26-Feb	<b>Council approves GF Budget and sets Council Tax (including precepts)</b> <b>Council approves General Fund Capital Plan</b> <b>Council approves Housing Capital Plan as part of HRA BSR</b>
31-Mar	Approved budget reports to be sent to Cost Centre Managers by Finance

## Appendix B

### General fund reserves – calculation of Prudent Minimum Balance (PMB) and target level

Description	Level of risk	Amount of risk £	Risk £
Employee costs	Medium	31,313,173	93,940
Premises costs	Medium	9,079,909	54,479
Transport costs	Medium	1,426,720	8,560
Supplies and services	Medium	15,931,051	31,862
Grants and transfers	Medium	41,119,810	61,680
Grant income	Medium	41,017,108	61,526
Other income	High	35,451,993	531,780
Miscellaneous	Medium	4,004,158	8,008
<b>Total one year operational risk</b>			<b>851,835</b>
<b>Allowing three years cover on operational risk</b>			<b>2,555,505</b>
<b>General and specific risks</b>	<b>Amount £</b>	<b>Probability (%)</b>	
Unforeseen events	2,000,000	25%	500,000
Legal action - counsel's fees	100,000	50%	50,000
Impact of business rates appeals	670,000	100%	670,000
Data Protection breach	300,000	25%	75,000
Capital project overruns	100,000	50%	50,000
Project failure / delays to savings realisation	500,000	50%	500,000
<b>Prudent Minimum Balance</b>			<b>4,400,505</b>
<b>Target (PMB + 20%)</b>			<b>5,280,606</b>

Operational cost profiles		Low	Medium	High
Employee costs	overspend	1.00%	2.00%	3.00%
	probability	20.0%	15.0%	10.0%
	<b>amount at risk</b>	<b>62,626</b>	<b>93,940</b>	<b>93,940</b>
Premises costs	overspend	2.00%	4.00%	6.00%
	probability	20.0%	15.0%	10.0%
	<b>amount at risk</b>	<b>36,320</b>	<b>54,479</b>	<b>54,479</b>
Transport costs	overspend	2.00%	4.00%	6.00%
	probability	20.0%	15.0%	10.0%
	<b>amount at risk</b>	<b>5,707</b>	<b>8,560</b>	<b>8,560</b>
Supplies and services	overspend	1.00%	2.00%	3.00%
	probability	15.0%	10.0%	5.0%
	<b>amount at risk</b>	<b>23,897</b>	<b>31,862</b>	<b>23,897</b>
Grants and transfers	overspend	1.00%	2.00%	3.00%
	probability	10.0%	7.5%	5.0%
	<b>amount at risk</b>	<b>41,120</b>	<b>61,680</b>	<b>61,680</b>
Grant income	overspend	1.00%	2.00%	3.00%
	probability	10.0%	7.5%	5.0%
	<b>amount at risk</b>	<b>41,017</b>	<b>61,526</b>	<b>61,526</b>
Other income	overspend	5.00%	10.00%	15.00%
	probability	15.0%	12.5%	10.0%
	<b>amount at risk</b>	<b>265,890</b>	<b>443,150</b>	<b>531,780</b>
Other	overspend	1.00%	2.00%	3.00%
	probability	15.0%	10.0%	5.0%
	<b>amount at risk</b>	<b>6,006</b>	<b>8,008</b>	<b>6,006</b>

## Appendix C

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

Fund	Balance at 31 July 2014	Current Commitments	Uncommitted balance
Repairs & Renewals Funds	(15,401.2)	5,872.0	(9,529.2)
Climate Change Fund	(347.1)	347.1	0
Council Tax Earmarked for Growth	(287.6)	127.9	(159.7)
Development Plan Reserve	(684.3)	711.9	27.6
Efficiency Fund	(334.0)	213.8	(120.1)
Pension Fund Reserve	(985.5)	985.5	(0.00)
Keep Cambridge Moving Fund	(700.0)	0	(700.0)
Project Facilitation Fund	(124.5)	90.5	(34.0)
Fixed-Term Priority Project Fund	(300.0)	55.0	(245.0)
Property Strategy Fund	(103.4)	92.2	(11.2)
Sharing Prosperity Fund	(509.8)	484.2	(25.6)
<b>Total</b>	<b>(19,777.4)</b>	<b>8,980.10</b>	<b>(10,797.20)</b>

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To: The Leader and Executive Councillor for Strategy:  
Councillor Lewis Herbert

Report by: Director of Customer and Community Services

Relevant scrutiny  
committee: Strategy & 29/9/2014  
Resources  
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

## ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014

### Not a Key Decision

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#### 1. Executive summary

- 1.1 The Anti-social Behaviour, Crime and Policing Act 2014 received Royal Assent on 13<sup>th</sup> March 2014, with full implementation of the Act due on 20<sup>th</sup> October 2014. It contains some wide ranging reforms around a number of previous Acts, including the law relating to dangerous dogs, terrorism and forced marriages. This report will look specifically at the reforms in the Act that are designed to address anti-social behaviour and that will have an impact on services such as Safer Communities, City Homes, Environmental Health and Streets and Open Spaces.
- 1.2 The Act contains two new measures which are designed to give victims and communities a say in the way anti-social behaviour is dealt with, they are: The Community Trigger; and the Community Remedy.
- 1.3 The Community Trigger gives victims and communities the right to request a review of their anti-social behaviour case and bring agencies together to take a joined up, problem solving approach to find a solution. The draft [threshold and procedure](#) for the Community Trigger, which are presented for approval by the Executive Councillor, have been developed through consultation with the representatives of the statutory bodies and members of the public. Home Office

Guidance suggests that the threshold and procedure should be tested in practice for six months and then reviewed.

- 1.4 The Community Remedy gives victims a say in the out-of-court punishment of perpetrators for low-level crime and anti-social behaviour. The Police and Crime Commissioner will publish the Community Remedy Document following consultation. Details of the Community Remedy are included here for information; there is no decision required by the Executive Councillor.
- 1.5 The Act also makes provision for six new powers to address anti-social behaviour, which replace 19 currently available. ([Appendix 2](#))
- 1.6 Operational managers, whose services are affected by the new legislation, have been consulted and although the changes are wide-ranging the consensus is that the new powers can be used according to operational needs as and when appropriate.
- 1.7 There are however, some changes that the Executive Councillor may like to discuss in more detail, whilst leaving the operational decisions to be made by managers on a case by case basis. For example, civil injunction can be used for under 18s and it is suggested that officers should develop a procedure and checklist for assessing when this is appropriate.
- 1.8 Councils can designate social landlords to issue Community Protection Notices (CPNs) in their area and the Executive Councillor may want to do this if social landlords are willing. It is suggested that we monitor how CPNs operate in practice and bring a report back with recommendations on the appropriateness of this designation.
- 1.9 The procedure towards introducing individual Public Spaces Protection Orders will require careful consideration and consultation and would need to be discussed by Strategy and Resources Scrutiny Committee before a final decision is taken by the Executive Councillor. Although the test for introducing a PSPO is broad, conditions included in the test are that the behaviour being targeted is, or is likely to be persistent, unreasonable and justifies the restrictions imposed. It is suggested that this report should go to each Area Committee and request any comments that they may have on the use of powers in the Act, including the Community Trigger, and that they review if any areas may merit consideration for PSPOs.
- 1.10 The Closure Notices will require consideration by the CEX with regard to designation of officers at an appropriate level to authorise notices for periods exceeding 24 hours.



- 1.11 The new Dispersal Powers are purely police powers and details are included in the report for information as the previous powers, that is, Section 30 Dispersal Powers and Section 27 Direction To Leave, were used extensively in the past and the changes will be of interest.
- 1.12 There are a number of delegation issues to be addressed in relation to the new Act. It is suggested that the levels of delegation are maintained where they are broadly similar to those currently in place. Current relevant delegations and suggestions for additions or amendments are attached as [Appendix 3](#)

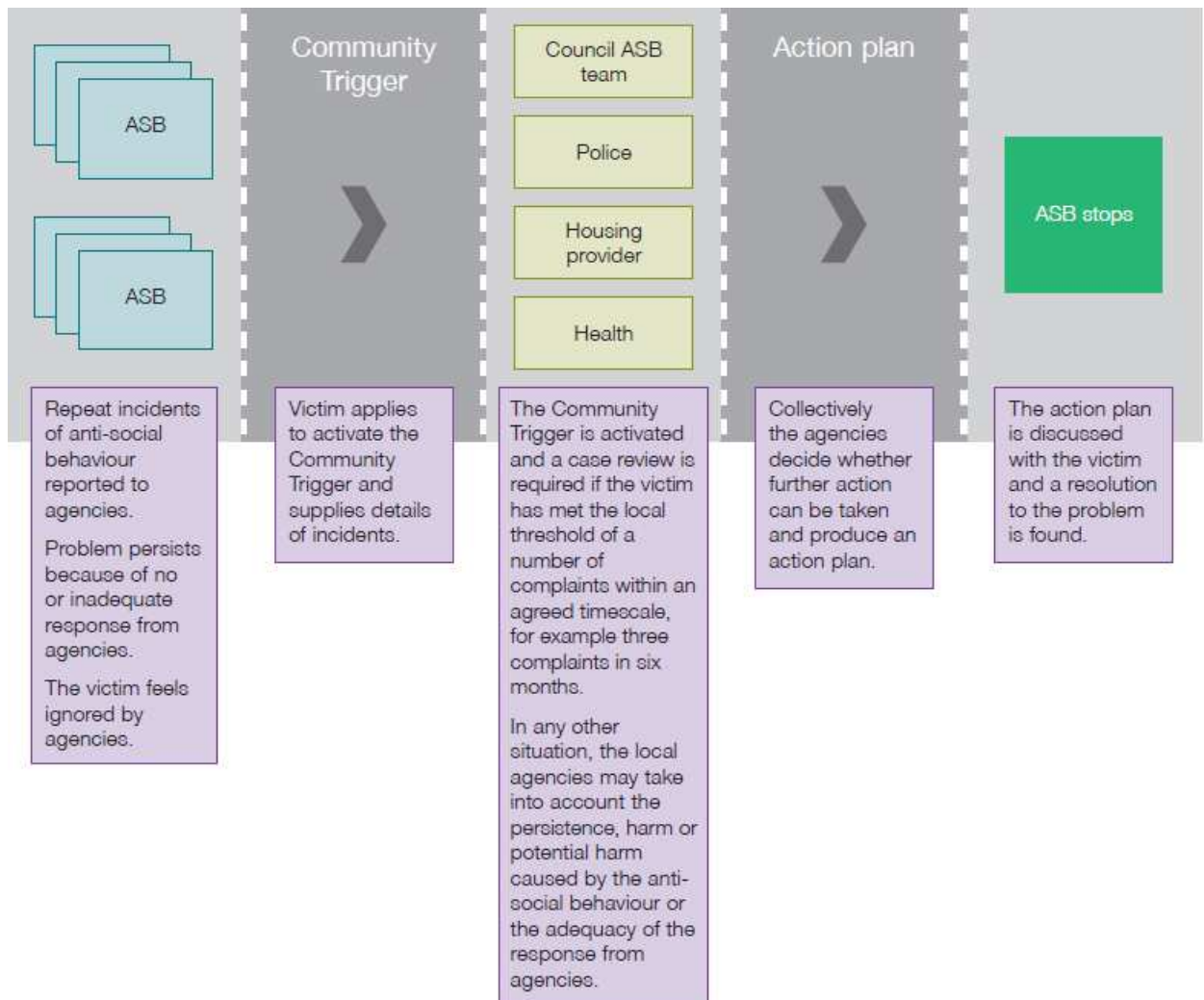
## **2. Recommendations**

- 2.1 The Executive Councillor is recommended:
- 2.1.1 To note the new measures being introduced to address anti-social behaviour, as detailed in this report;
  - 2.1.2 To approve the [threshold and procedure](#) for the Community Trigger and to agree to test the threshold and procedure and to review the process in six months with a further report to Strategy and Resources Scrutiny Committee at that point;
  - 2.1.3 To agree to test Community Protection Notices in practice and bring a further report to Strategy and Resources Scrutiny Committee with recommendations around the appropriateness of designating the power to social landlords;
  - 2.1.4 To take this report to Area Committees and request that they review if any areas merit consideration for PSPOs; and
  - 2.1.5 To approve the delegation additions and amendments as detailed in [Appendix 3](#)

## **3. Background**

- 3.1 This paper concentrates on those aspects of the Act that may impact on policy and procedures in delivering services across the council and gives some background details for those areas that will be of interest operationally but that do not require any decisions at this time.

## Community Trigger



- 3.2 Anti-social behaviour, for the purposes of the community trigger, is defined as behaviour causing harassment, alarm or distress to a member or members of the public. One of the aims of the community trigger is to encourage those who are most vulnerable, or may not otherwise engage with agencies, to report incidents of anti-social behaviour.
- 3.3 An application for a community trigger can be made by any individual, business or community group to a single point of contact, in the local authority area, for a review of the actions carried out on any anti-social behaviour reports that meet the locally agreed and published threshold.
- 3.4 The responsible authorities and relevant bodies, who must work together to agree the threshold and the local procedure, are the Council, Police, Clinical Commissioning Groups and registered providers of social housing. The Cambridge steering group for developing the threshold and procedure is made up of representatives from City Council, Police, City Homes, Hundred Housing,

Metropolitan, Cambridge Housing Society and Cambridgeshire and Peterborough Clinical Commissioning Group.

3.5 Rules governing the threshold and procedure

The threshold for making a community trigger application must be **no higher than three complaints of anti-social behaviour in a six months period** and;

- α the anti-social behaviour must have been reported within one month of the alleged behaviour taking place and;
- α the application to use the Community Trigger must be made within six months of the report of anti-social behaviour.

3.6 Where a person makes an application for a case review and the number of qualifying complaints has been made, the threshold for a review is met.

3.7 The harm or potential harm caused to the victim, the persistence of the anti-social behaviour and the adequacy of the response should be taken into account in determining whether the threshold is met.

3.8 The procedure should as a basic outline include the following steps:

- α A victim or someone acting on their behalf makes an application to use the Community Trigger;
- α The relevant bodies decide whether the threshold is met; and
- α If the threshold is met, the relevant bodies share information about the case, consider whether any new information needs to be obtained, review previous actions and propose a response. The victim is informed of the outcome or agencies will work with the victim to devise and implement an action plan.

3.9 Representatives from the responsible authorities and relevant bodies worked together to develop the Cambridge City draft threshold and procedures. The local community have been consulted through fora made up of 9 Cambridge residents including a representative from the Disability Forum and 1 voluntary sector manager. Some representatives were self-selecting in answer to publicity on the City Council website and others came through invitations sent out through the steering group organisations.

3.10 The consultation response was generally positive about the draft procedure and threshold and the groups felt this was a welcome initiative. Among the points raised were requests to:

- α keep the threshold clear and uncomplicated (the threshold was simplified to meet this request);
- α consider whether it needs to be as high as 3 complaints in 6 months. The number of complaints has not been reduced as the

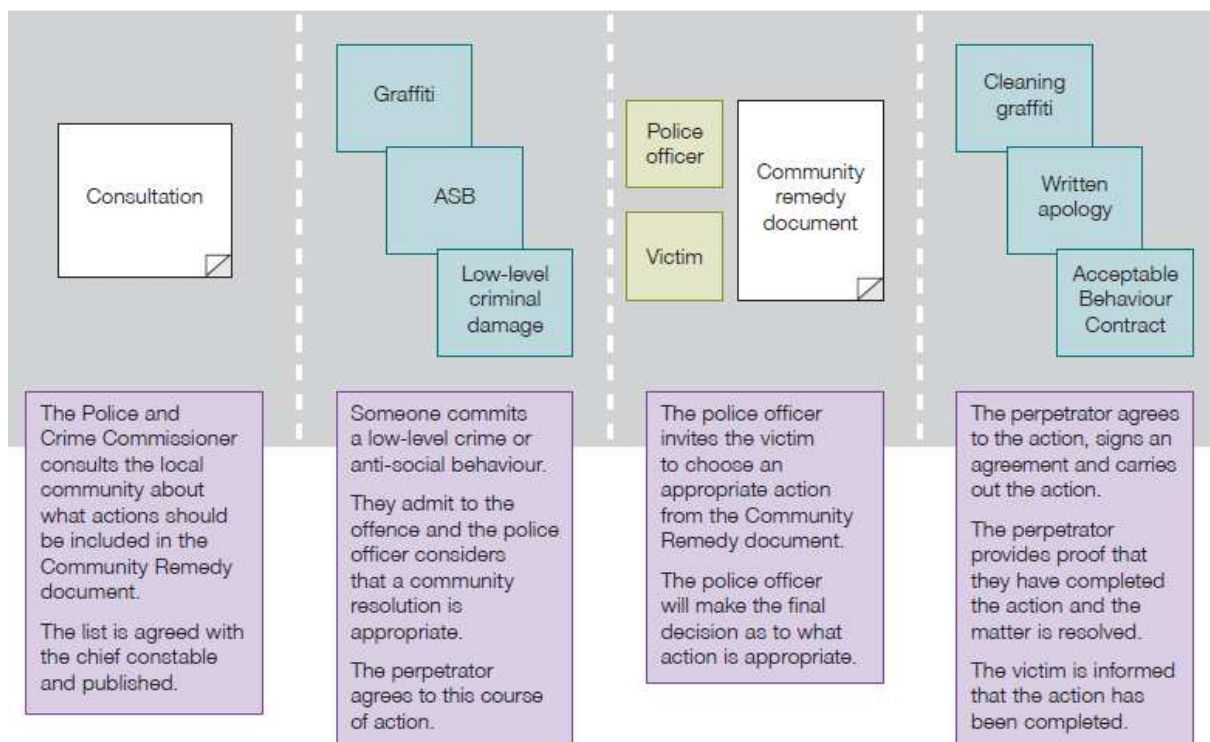
steering group already discussed in detail the issue of resource if we have to deal with a large volume of applications. We can review this after 6 months as advised in the guidance;

- α be aware when publicising the availability of the trigger that many people do not have access to computers; and
- α ensure the applicant is kept informed during the process.

3.11 The draft Community Trigger review [threshold and procedure](#) are attached as [Appendix 1](#) for consideration by the Executive Councillor with the recommendation to approve them as presented.

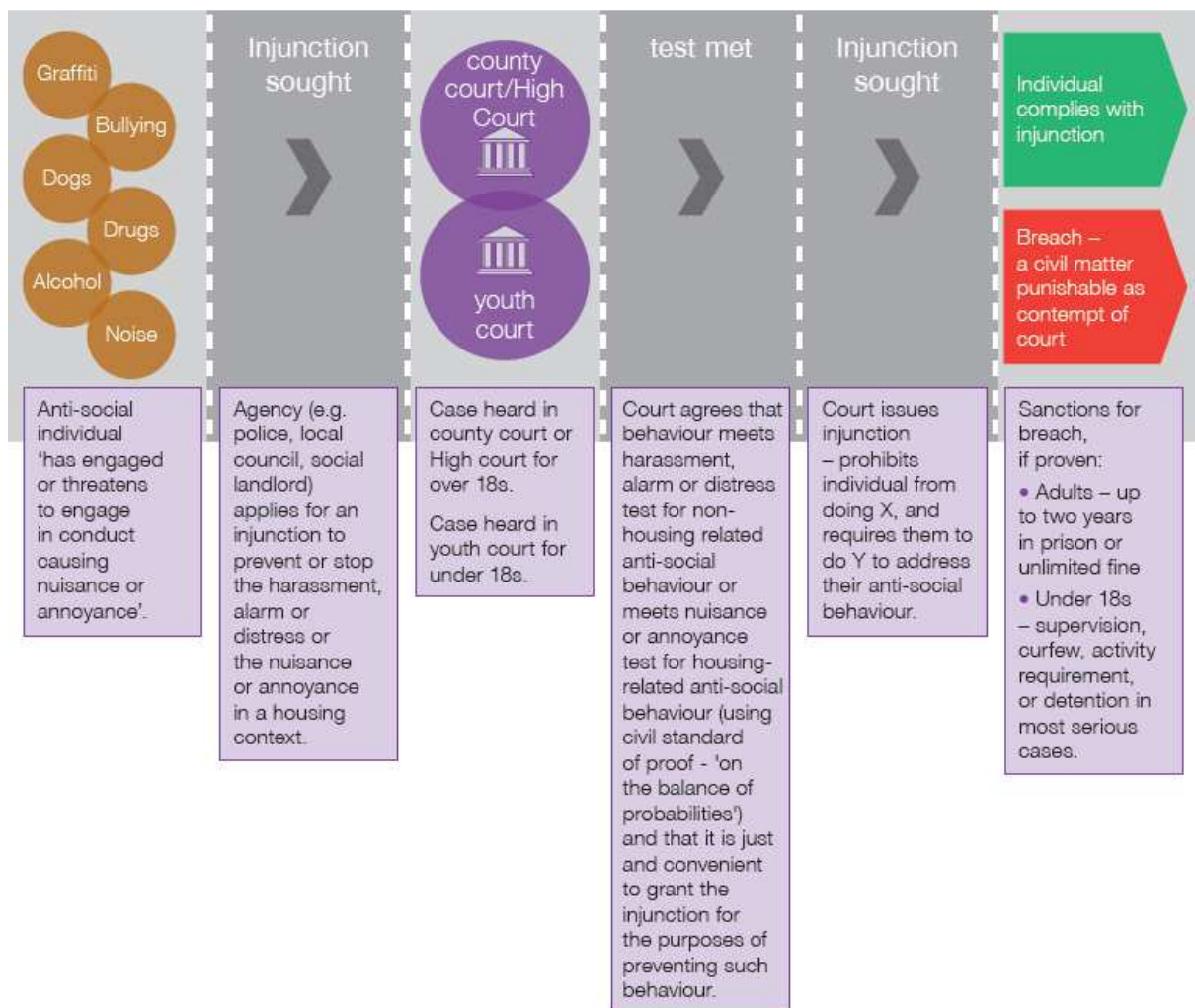
3.12 The Home Office Guidance suggests that the threshold and procedure should be tested in practice for six months and reviewed at that time. Environmental Health Managers would like the opportunity to consider how the Community Trigger applications link with the corporate complaints procedure and how best to incorporate it. It is therefore suggested that we test the threshold and procedure as suggested in the guidance and bring a report back to Strategy and Resources Scrutiny Committee with an update at that point.

## Community Remedy



- 3.13 Following consultation, the Police and Crime Commissioner will publish the Community Remedy document which will be used as part of the existing process for delivering community resolutions. It will give victims of low-level crime and anti-social behaviour a say in the punishment of perpetrators out of court. The Community Remedy may also be used when a conditional caution or youth conditional caution is given, as a means of consulting the victim about the possible conditions to be attached to the caution.
- 3.14 The community remedy is for anti-social behaviour and low-level criminal offences.
- 3.15 The role of the City Council was to respond to the Cambridgeshire and Peterborough consultation and the City Council also accommodated the consultation by including the link to the survey and information on the Council website, highlighting its presence to all Councillors and members of the Community Safety. The results of the consultation were not available when publishing this document.

## Civil Injunction



- 3.16 The injunction is a civil power which can be applied for by local councils and other agencies, such as police, housing providers and NHS Protect to deal with anti-social individuals. The injunction can offer fast and effective protection for victims and communities and set a clear standard of behaviour for perpetrators, stopping the person's behaviour from escalating.
- 3.17 The injunction will include relevant prohibitions to stop the anti-social behaviour. It can also include positive requirements to get individuals to deal with the underlying cause of their behaviour.
- 3.18 The injunction can be used to deal with a wide range of behaviours, in both housing related and non-housing related situations. This can include vandalism, public drunkenness, aggressive begging, irresponsible dog ownership and noisy and abusive behaviours towards neighbours.
- 3.19 Agencies must make reasonable and proportionate judgement before applying for an injunction.
- 3.20 There are two tests for an injunction:
- α Non-housing related  
For anti-social behaviour in a non-housing related context the test is conduct that has caused or is likely to cause, harassment, alarm or distress to any person. It applies where the behaviour has occurred, in a public place, such as a city centre, shopping mall or local park, and where the behaviour does not affect the housing management functions of a social landlord or people in their homes.
  - α Housing related  
For anti-social behaviour in a housing context the nuisance or annoyance test will apply, that is, where the conduct is capable of causing nuisance or annoyance to a person in relation to that person's occupation of residential premises or the conduct is capable of causing housing-related nuisance or annoyance to any person. Only social landlords, local councils or the police will be able to apply for an injunction under these provisions in the legislation. In the case of social landlords only, "housing-related" means directly or indirectly relating to their housing management function.
- 3.21 Power to issue an injunction to children  
The new civil injunctions can be issued against anyone who is 10 years or over. Applicants must consult the local youth offending team (YOT) if the application is against someone under the age of 18 and inform any other body or individual the applicant thinks appropriate.



Applications for injunctions against anyone who is under 18 must be made to the youth court.

It is suggested that officers should develop a procedure and check list for assessing when it is appropriate to apply for an injunction for a person under 18 and decisions can then be made on a case by case basis.

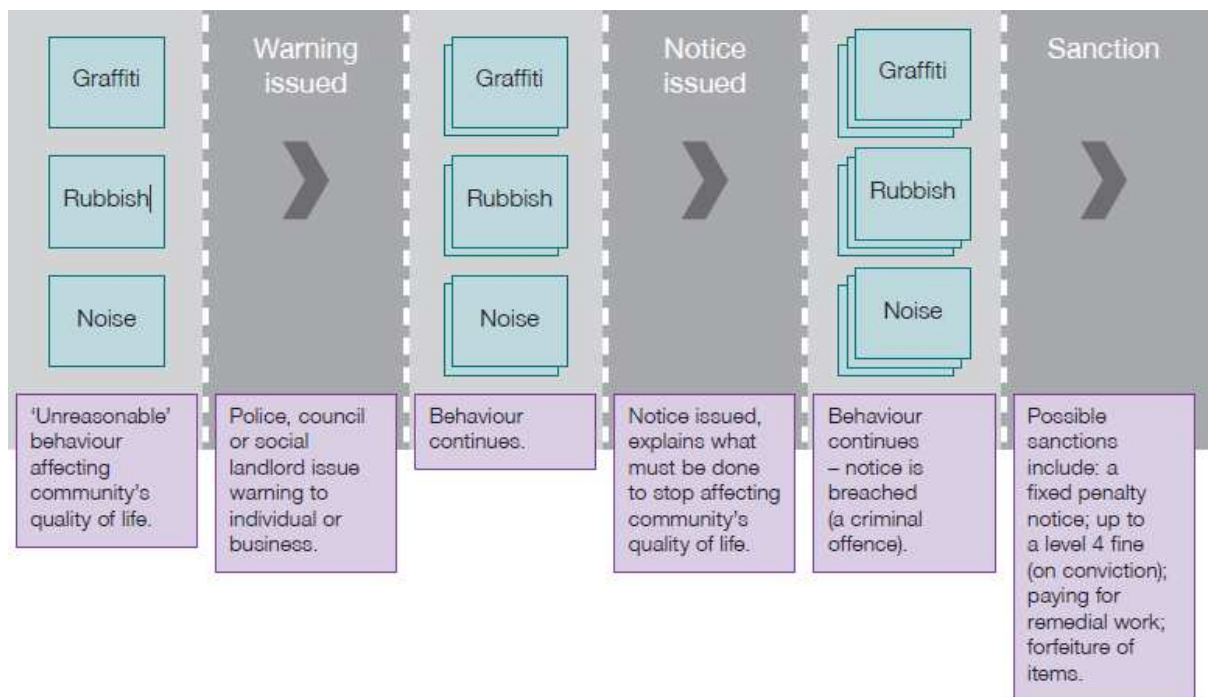
### 3.22 Exclusion from home

Councils and police can apply for an injunction to exclude private tenants or owner-occupiers, over the age of 18, from their homes where the ASB includes the use, or threatened use of violence or there is a significant risk of harm. It is not expected that the power of exclusion will be used often, and applications should only be made where the higher threshold is met.

### 3.23 Publishing details of Injunctions

Councils and police can decide to publish details of the terms of the order including details of the perpetrator, unless the Court has made a section 39 order (Children and Young Persons Act 1933) prohibiting the publication. When deciding whether to publicise the injunction, public authorities (including the courts) must consider that it is necessary and proportionate to interfere with the young person's right to privacy, and the likely impact on a young person's behaviour. This will need to be balanced against the need to provide re-assurance to the victims and the wider community as well as providing them with information so that they can report any breaches. Each case should be decided carefully on its own facts.

## Community Protection Notices



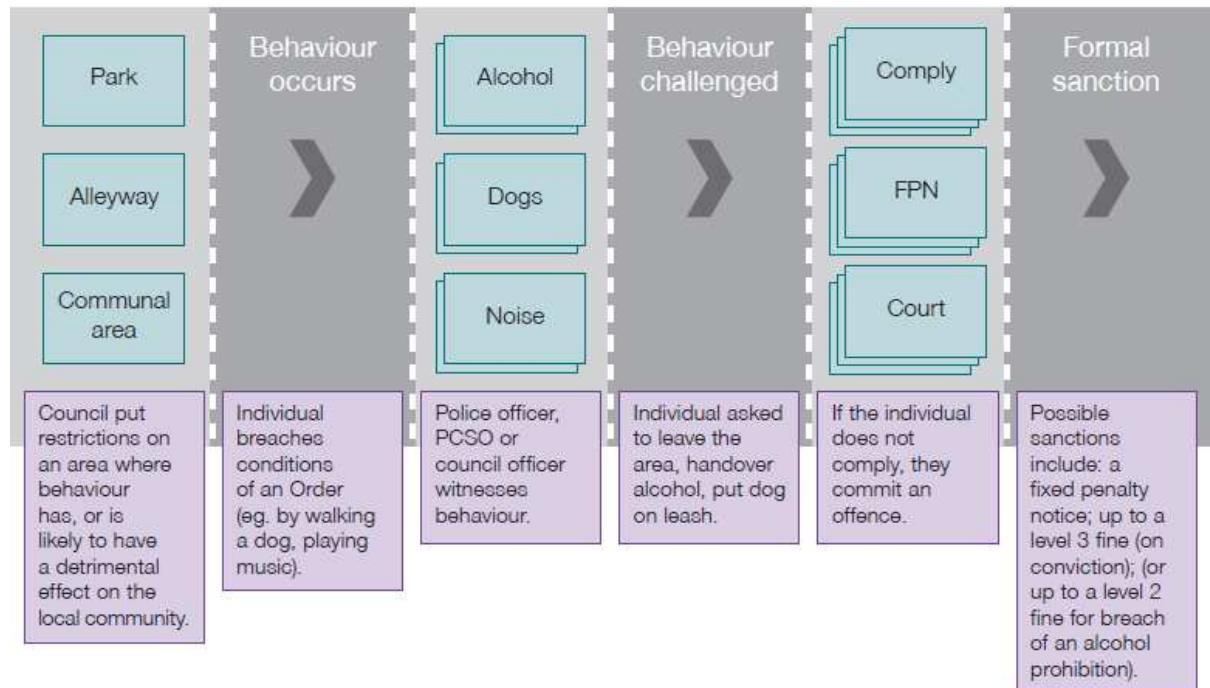
- 3.24 Community protection notices (CPN) are designed to deal with particular, ongoing instances of anti-social behaviour that spoil the community's quality of life, such as graffiti, rubbish and noise. The anti-social behaviour must be persistent or continuing and unreasonable. They can be used against individuals over 16, businesses or organisations, and can be issued by the police, and authorised officers of the council or staff of social housing providers.
- 3.25 Statutory nuisance is dealt with by the Environmental Health Team using the powers available through the Environmental Act 1990. The issuing of a CPN does not and cannot discharge the Council from its duty to issue Abatement Notices if the behaviour is considered to constitute a statutory nuisance.
- 3.26 Who can issue a CPN  
Council Enforcement officers have in the past taken the lead in dealing with these kinds of environmental issues and now police officers and police community support officers will also be able to issue CPNs.
- 3.27 In addition, there is a formal role for social landlords. Where it is appropriate, local councils can designate social landlords in their area to issue CPNs. It is suggested that we monitor how CPN are operating in practice and report back to committee before a decision is made to designate social landlords to issue them.



3.28 The CPN must be written for the situation and can contain any or all of the following:

- α Requirement to stop doing specific things;
- α Requirement to do specific things; and
- α Requirement to take reasonable steps to achieve specified results.

### Public Spaces Protection Orders (PSPO)



3.29 The PSPO is designed to stop individuals or groups committing anti-social behaviour in a public space. A local authority can make these orders, following consultation with the police, Police and Crime Commissioner and other relevant bodies.

3.30 The test is designed to be broad and focus on the impact anti-social behaviour is having on victims and communities. A PSPO can be made by the council if they are satisfied on reasonable grounds that the activities carried out, or likely to be carried out, in a public space:

- α have had, or are likely to have, a detrimental effect on the quality of life of those in the locality;
- α is, or is likely to be, persistent or continuing in nature;
- α is, or is likely to be, unreasonable; and
- α justifies the restrictions imposed.

### 3.31 Where can the PSPO apply

The council can make a PSPO on any public space within its own area. The definition of public space is wide and includes any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission,

for example a shopping centre. Before the PSPO is made, the council also has to publish the draft order in accordance with regulations published by the Secretary of State.

### 3.32 Penalties for breaching an order

Depending on the behaviour in question, the enforcing officer could decide that a fixed penalty notice (FPN) would be the most appropriate sanction. The FPN can be issued by a police officer, PCSO, council officer or other person designated by the council. In making the decision to issue a FPN, the officer should consider that if issued, payment of the FPN would discharge any liability to conviction for the offence. However, where the FPN is not paid within the required timescale, court proceedings can be initiated (prosecution for the offence of failing to comply with the PSPO).

### 3.33 What can be included in a PSPO

A PSPO can include multiple restrictions and requirements in one order. It can prohibit certain activities, such as the drinking of alcohol as well as placing a requirement on people to do certain things such as keep their dog on a lead. The PSPO is intended to make public spaces more welcoming to the majority of law abiding people, for this reason the requirements or restrictions can be targeted at specific people, designed to apply only at certain times or apply in certain circumstances.

### 3.34 Challenging a PSPO

Any challenge to the PSPO must be made in the High Court by an interested person within six weeks of it being made. An interested person is someone who lives in, regularly works in, or visits the restricted area. This means that only those who are directly affected by the restrictions have the power to challenge. This right to challenge also exists where an order is varied by a council.

3.35 Interested persons can challenge the validity of a PSPO on two grounds. They could argue that the council did not have power to make the order, or to include particular prohibitions or requirements. In addition, the interested person could argue that one of the requirements (for instance, consultation) had not been complied with. When the application is made, the High Court can decide to suspend the operation of the PSPO pending the verdict in part or in totality. The High Court has the ability to uphold the PSPO, quash it, or vary it.

### 3.36 Restricting alcohol

The PSPO cannot be used to restrict the consumption of alcohol where the premises or its curtilage is licensed for the supply of alcohol.

### 3.37 Restricting access

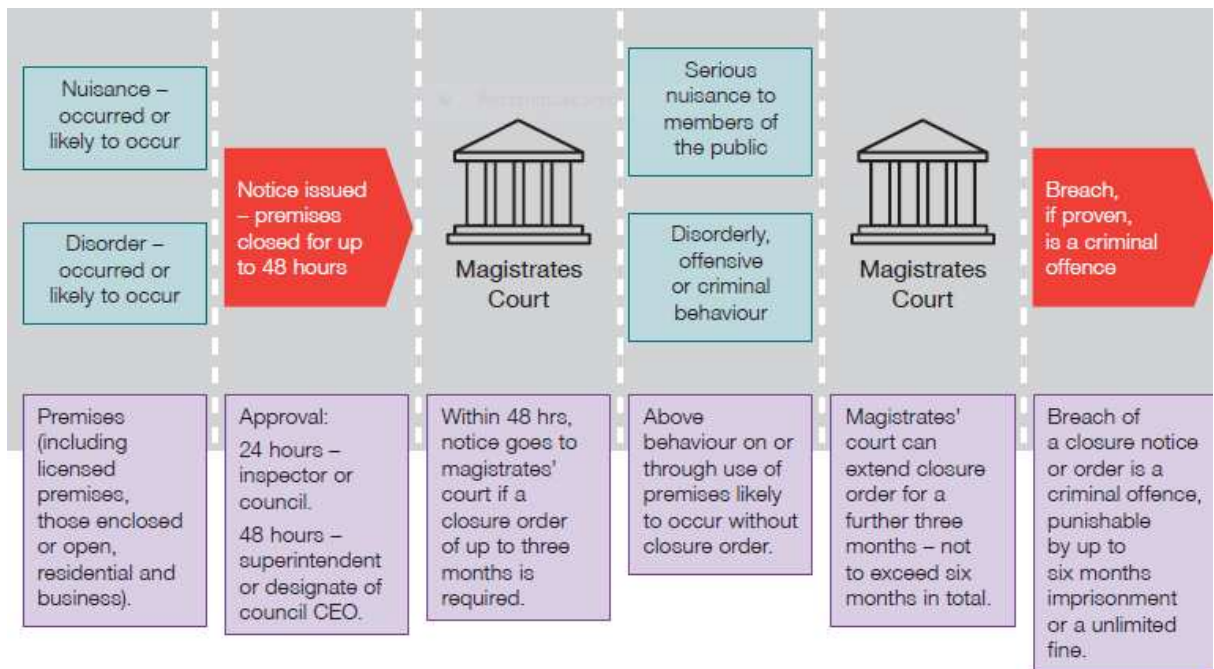
If the order is to be used to restrict access to a public right of way, a number of things need to be considered. What impact will the restriction have, for example is there a reasonably convenient alternative route. It may be more reasonable to restrict activities causing the ASB rather than restricting access. Consultation with affected parties is required if access is to be restricted.

### 3.38 Decision on the introduction of a PSPO

The detail on PSPOs is included for information. The procedure towards introducing individual orders will require careful consideration and consultation and would need to be taken to Strategy and Resources Scrutiny Committee before a final decision by the Executive Councillor.

3.39 The City Council's Annual Report 2014 states that the Council will work to 'introduce targeted Public Spaces Protection Orders (PSPOs) in areas where problem drinking and the behaviour of street drinkers is proving to be a public nuisance, subject to consultation'. It is planned that this report should go to each Area Committee and that, in addition to seeking views on the Community Trigger and other aspects of the Act, Area Committees be asked if they want to identify any areas that merit potential consideration for PSPOs.

## Closure Power



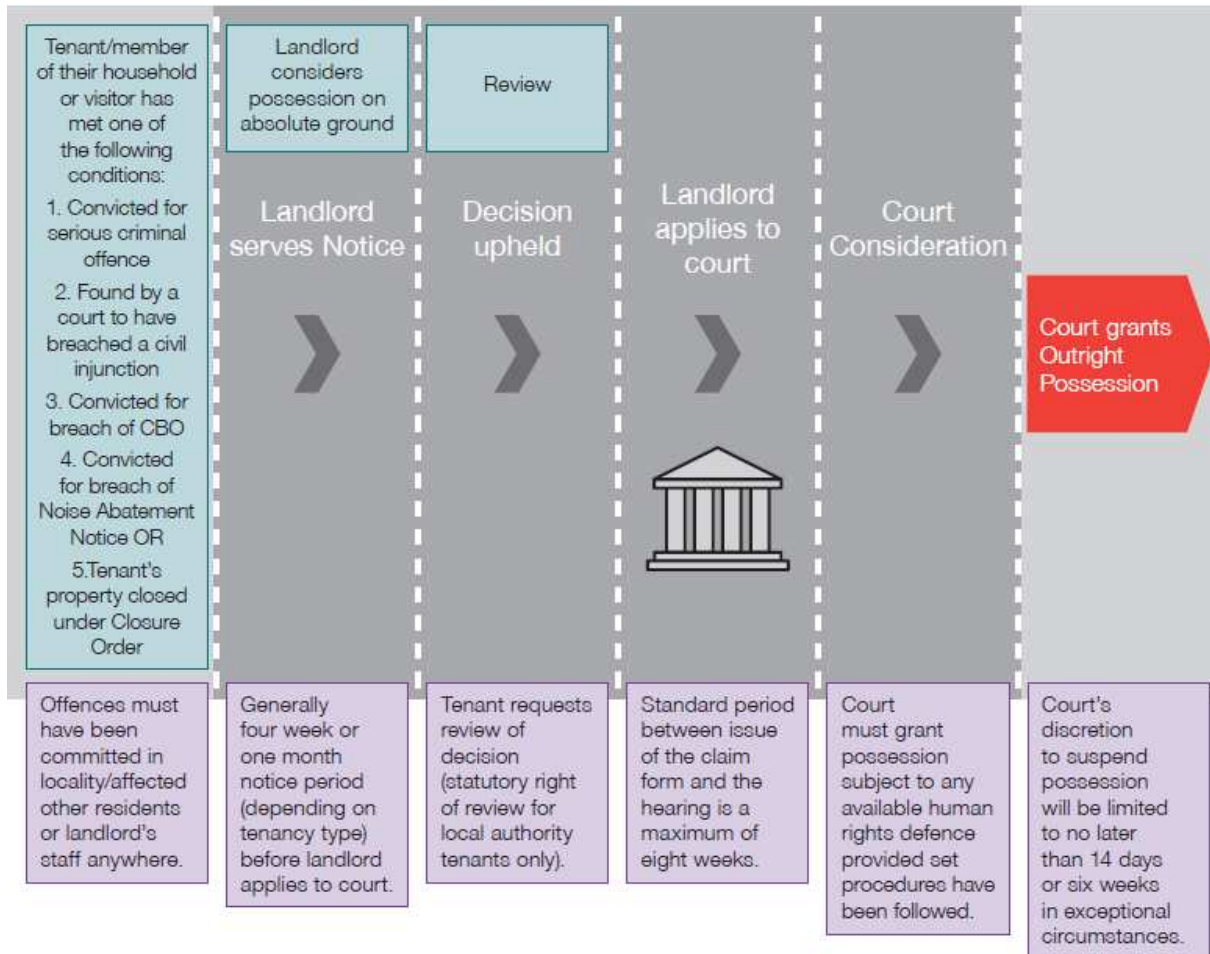
3.40 The closure power is a fast, flexible power that can be used to protect victims and communities by quickly closing premises that are causing nuisance or disorder. It replaces current closure orders and is similar in process to Premises Closure.

3.41 A closure notice prohibits access to the premises for a specified period up to a maximum of 48 hours. As a safeguard, the Act requires that closure notices issued by a local authority for periods exceeding 24 hours or extensions of 24 hour notices must be signed by the Chief Executive or a person designated by the Chief Executive. A closure order prohibits access to a premise for a maximum of three months and must be applied for to the magistrates' court no later than 48 hours after service of the notice closure.

### 3.42 Delegation

The Government guidance states that consideration needs to be given to the level or role of employee within the council who can issue a notice for periods not exceeding 24 hours. Suggestions for delegations which will fit with currently delegated powers are contained in [Appendix 3](#). The Act gives power to the Chief Executor Officer (or a person designated by her) to issue notices for periods up to 48 hours.

## Recovery of possession of dwelling-house on anti-social behaviour grounds – mandatory possession



3.43 Prior to the 2014 ASB Act, the court had discretion as to whether to evict a tenant under the Housing Act 1985 and 1988 when the landlord sought possession of secure and assured tenancies because the tenant had been involved in anti-social behaviour. Landlords can now seek to evict tenants if it is proven that the tenant has been involved in anti-social behaviour or criminal activity and the court must evict them.

3.44 The Act introduces a new absolute ground for possession of secure and assured tenancies where anti-social behaviour or criminality has already been proven by another court.

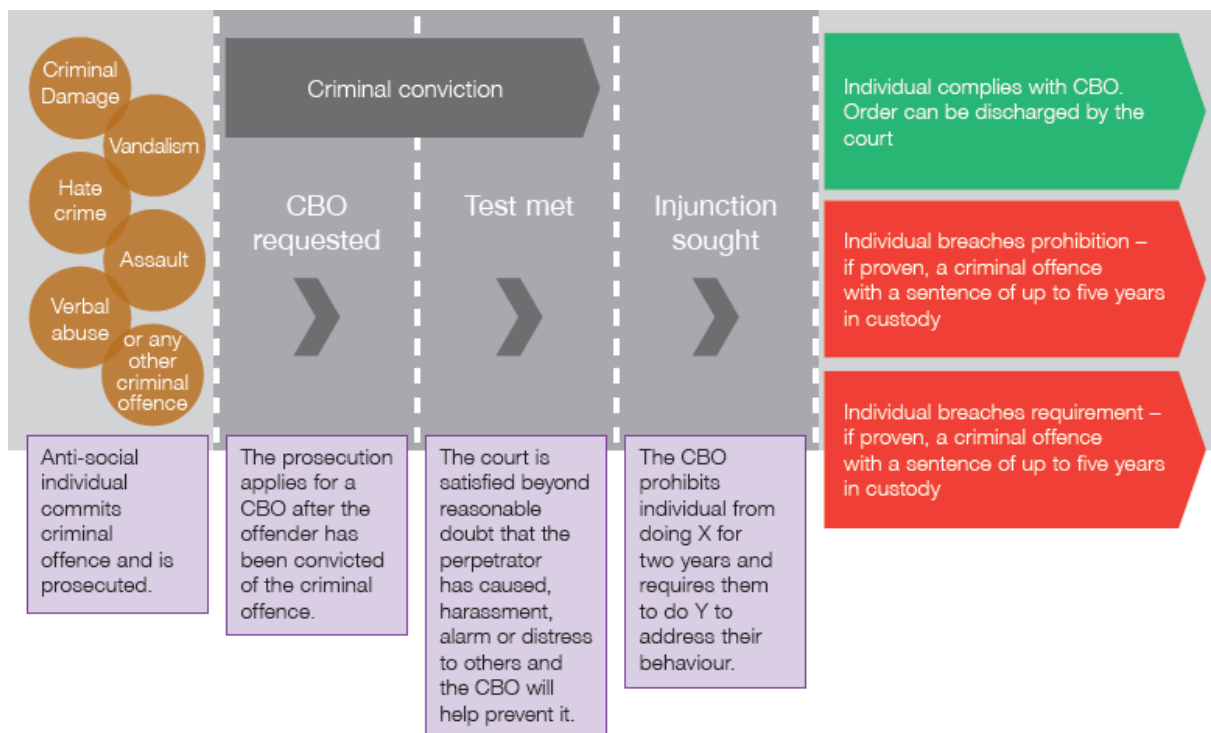
3.45 Prevention and early intervention should be at the heart of all landlords' approaches to dealing with anti-social behaviour. The evidence shows this is the case with over 80% of anti-social behaviour complaints resolved by social landlords through early intervention and informal routes without resorting to formal tools.

3.46 It is, however, a source of frustration for landlords and victims that in exceptional cases where anti-social behaviour (or criminality) persists

and it becomes necessary to seek possession, the existing process for evicting anti-social tenants is often very lengthy and expensive for landlords and the courts and, most importantly, prolongs the suffering of victims, witnesses and the community.

- 3.47 The court must grant possession (subject to any available human rights defence raised by the tenant, including proportionality) provided the landlord has followed the correct procedure and at least one of the following five conditions is met:
- α The tenant, a member of the tenant's household, or a person visiting the property has been convicted of a serious offence;
  - α The tenant, a member of the tenant's household, or a person visiting the property has been found by a court to have breached a civil injunction;
  - α The tenant, a member of the tenant's household, or a person visiting the property has been convicted for breaching a criminal behaviour order;
  - α The tenant's property has been closed for more than 48 hours under a closure order for anti-social behaviour; or
  - α The tenant, a member of the tenant's household, or a person visiting the property has been convicted for breaching a noise abatement notice or order.
- 3.48 The offence or anti-social conduct must have been committed in, or in the locality of, the property, affected a person with a right to live in the locality of the property or affected the landlord or the landlord's staff or contractors.
- 3.49 This new ground is an additional tool to provide more flexibility for landlords but will be applicable only in limited circumstances. Details are provided here for information and no decision is required from the Executive Councillor.

## Criminal Behaviour Orders (CBO)



3.50 Criminal Behaviours Orders are issued by any criminal court against a person who has been convicted of an offence to tackle the most persistently anti-social individuals who are also engaged in criminal activity.

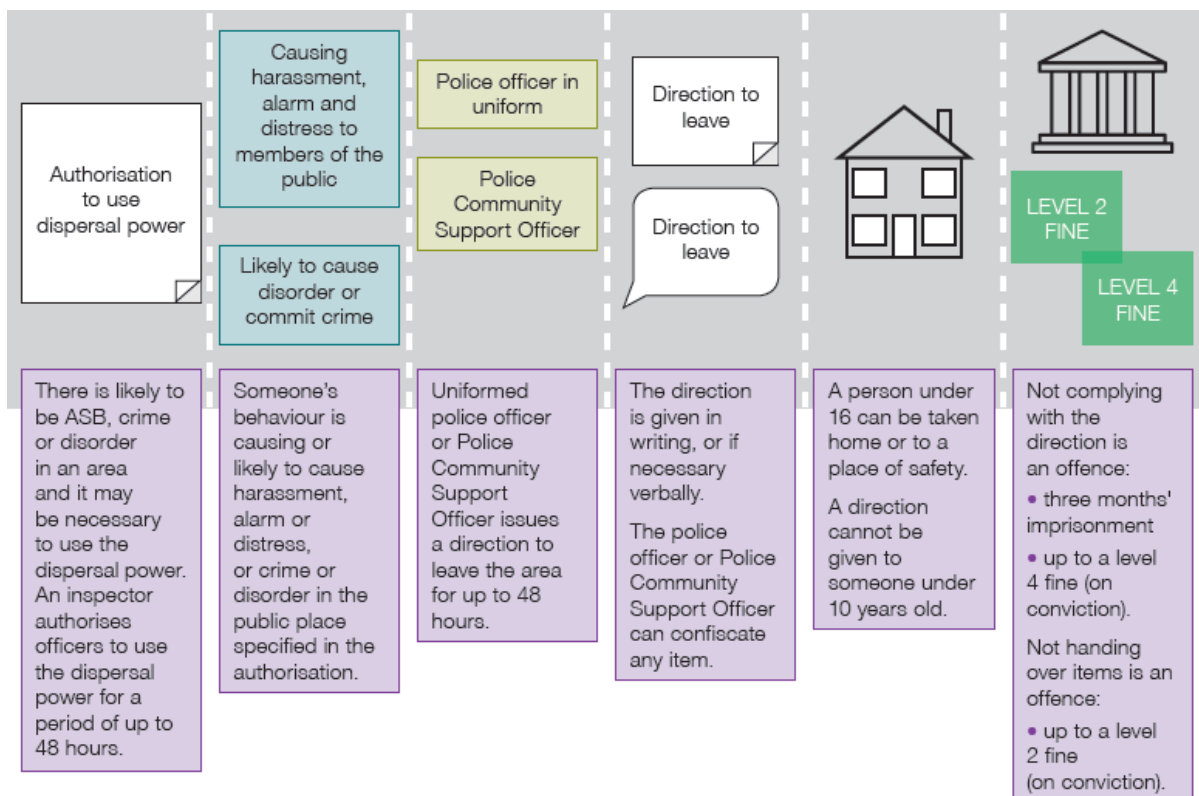
3.51 The prosecution, usually the Crown Prosecution Service (CPS), but in some cases it could be a local council, may apply for the CBO after the offender has been convicted of a criminal offence. The prosecution can apply for a CBO on its own initiative or following a request from a council or the police. The CBO hearing will occur after, or at the same time as, the sentencing for the criminal conviction.

3.52 For a CBO to be made the court must be satisfied, beyond reasonable doubt, that:

- α the offender has engaged in behaviour that caused, or was likely to cause, harassment, alarm or distress to any person; and
- α that the court considers making the order will help in preventing the offender from engaging in such behaviour.



## Dispersal Power (Police Power Only)



3.53 The dispersal power is a flexible power which the police can use in a range of situations to disperse anti-social individuals and provide immediate short-term respite to a local community. The power is preventative as it allows an officer to deal instantly with someone's behaviour and nip the problem in the bud before it escalates.

3.54 In areas where there are regular problems, the police force should work with the local council to find sustainable long-term solutions. In all instances, the impact on the local community should be considered before using the dispersal power.

NB: The process charts used in this report are extracted from the Home Office document "Anti-social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers – Statutory guidance for frontline professionals".

## 4. Implications

### (a) Financial Implications

None at present.



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

None at present. However, we do not know how many Community Trigger applications we will receive and until this is tested we don't know what implications it has for our available resource.

(c) **Equality and Poverty Implications**

An EqIA has been carried out in relation to the Community Trigger procedure. Where the new powers have created policy changes EqIAs will need to be carried out accordingly.

(d) **Environmental Implications**

Nil: to indicate that the proposal has no climate change impact.

(e) **Procurement**

None

(f) **Consultation and communication**

□ Consultation carried out as stated in paragraph 3.9 and 3.10

□ Consultation has also been carried out with managers from Environmental Health, Street and Open Spaces, City Homes, Legal Department, Democratic Services

□ Consultation with Cambridgeshire and Peterborough Police Force and other districts has been carried out through workshops and a county wide steering group

□ Consultation with the Police and Crime Commissioner will be required to agree the appeal process for the Community Trigger

□ A communications plan for raising awareness of the Community Trigger has been developed.

**5. Background papers**

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

□ Anti-social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers – Statutory guidance for frontline staff

## 6. Appendices

Threshold and procedure for the Community Trigger

List of the six new powers Appendix 2

Delegations table Appendix 3

## 7. Inspection of papers

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

Author's Name:	Lynda Kilkelly
Author's Phone Number:	01223 457045
Author's Email:	lynda.kilkelly@cambridge.gov.uk

## Community Trigger

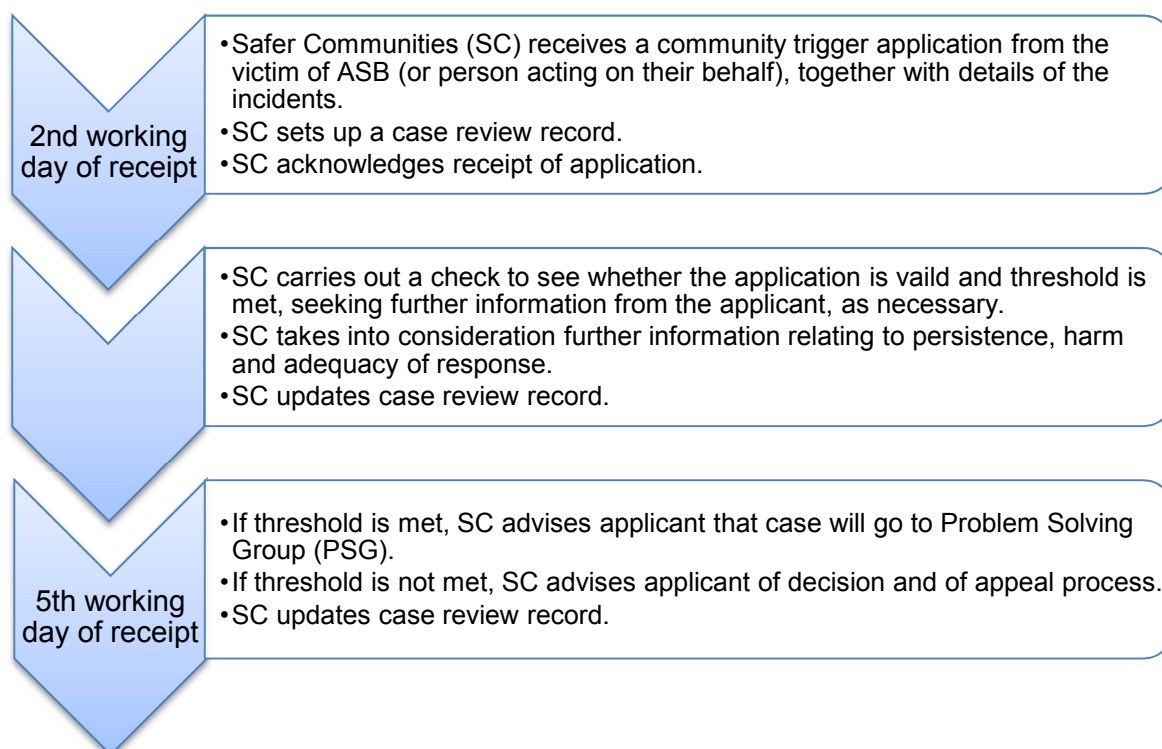
The Community Trigger gives victims and communities the right to request a review of their case and bring agencies together to take a joined up, problem solving approach to find a solution.

An application under the community trigger procedure can be made when three qualifying complaints of anti-social behaviour (ASB) have been made within a six months period, and the victim feels that the relevant agencies have made no or inadequate response . This is called the threshold.

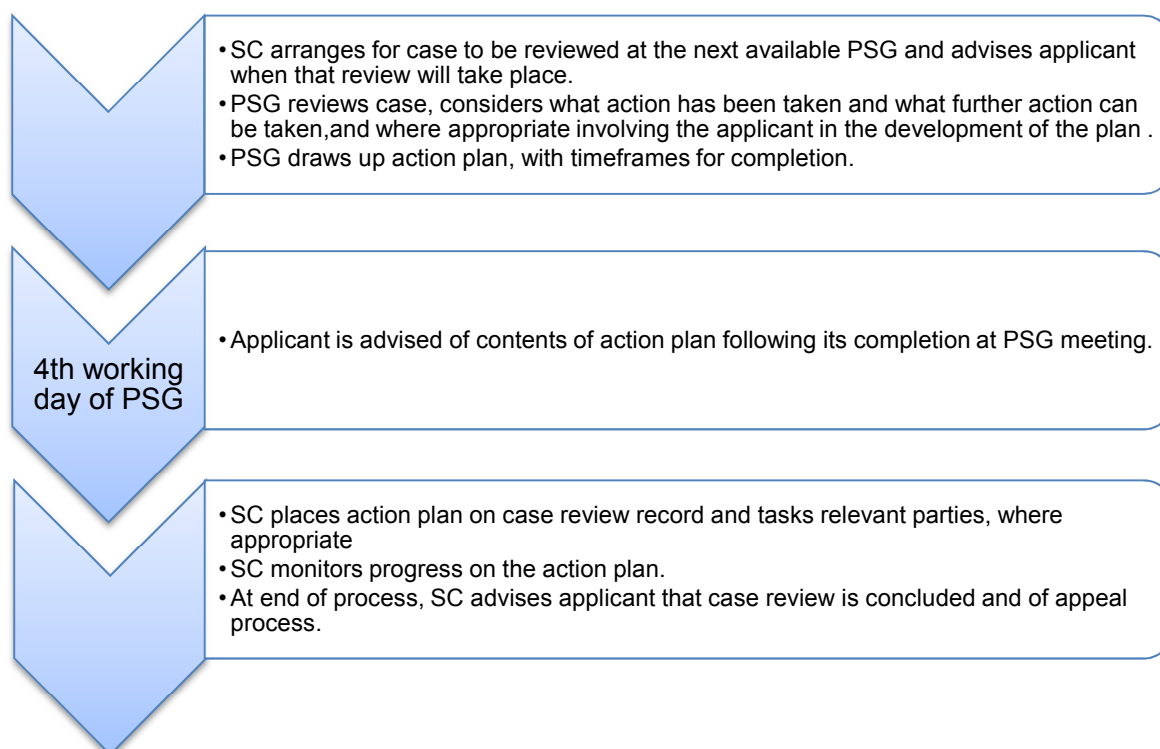
A qualifying complaint is one where:

- ☐ The complaint of ASB has been reported within one month of it taking place; and
- ☐ The application is made within six months of the original report of ASB.

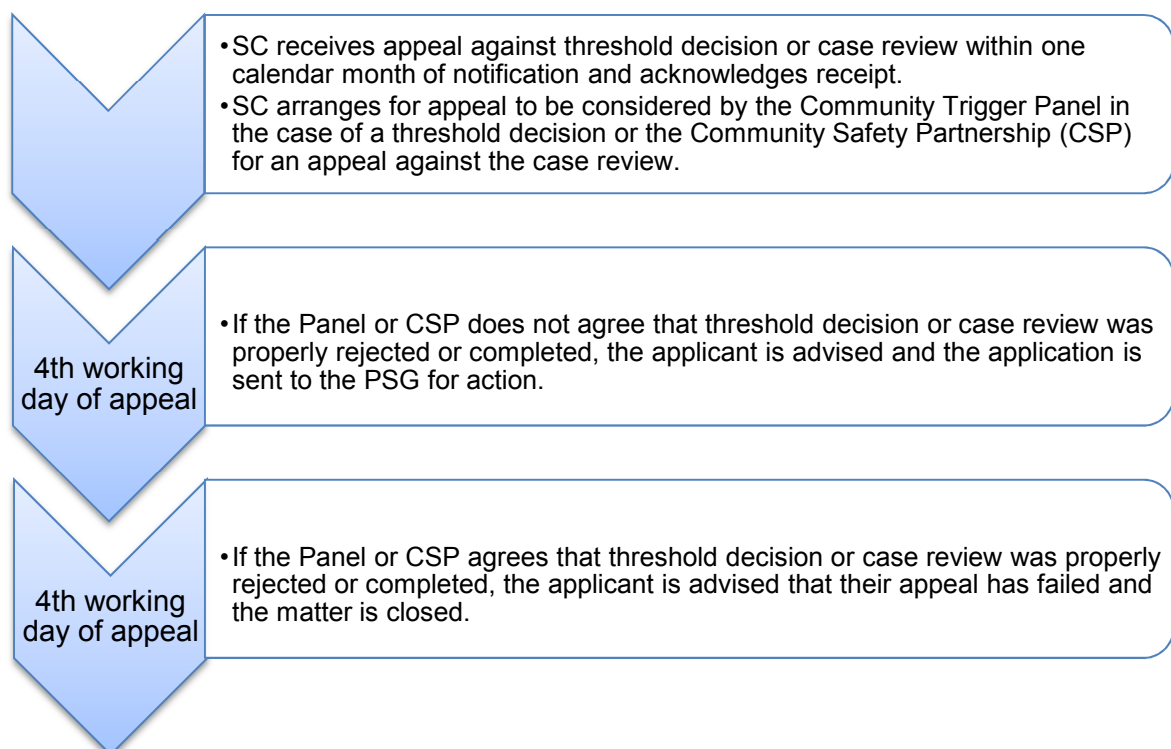
### Initial Process



## Review Process



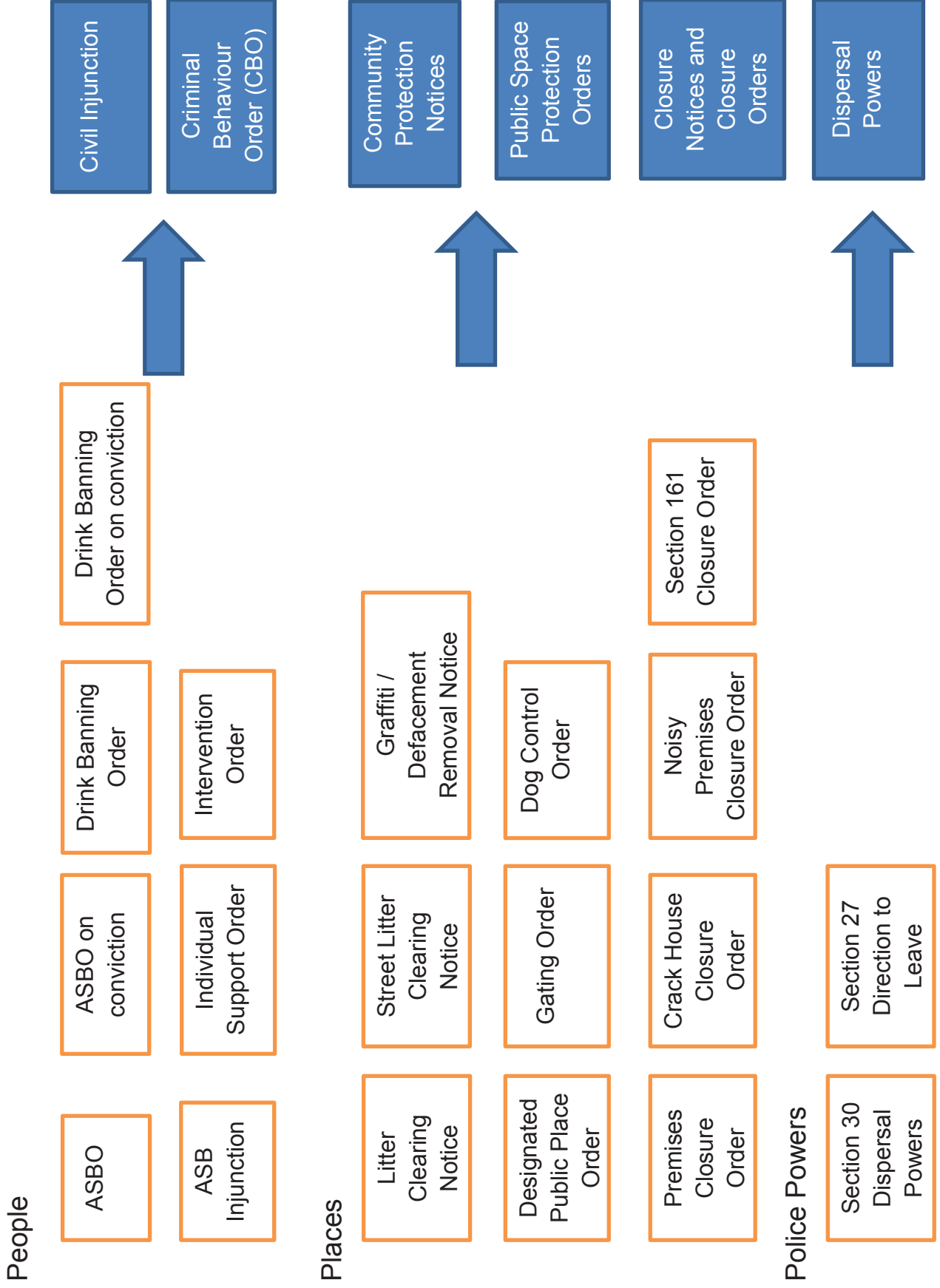
## Appeal Process<sup>1</sup>



<sup>1</sup> Assuming PCC is not involved in the appeal process.

# Simplification from 19 to 6

Powers available from October 2014



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Power	New/existing power	Purpose	Applicants	Test	Penalty on breach	Appeal
Closure Power	Existing power but modified	To allow the Police or Council to quickly close premises which are being used, or likely to be used, to commit nuisance or disorder.	Police, Council	Satisfied that the use of particular premises has resulted or is likely soon to result in nuisance to members of the public or that there has been or is likely soon to be disorder near those premises associated with the use of those premises, and that the notice is necessary to prevent the nuisance or disorder from continuing, recurring or occurring.	Criminal offence - unlimited fine or prison	Appeal to the Crown Court
Community Protection Notice	Existing power but modified	To stop a person, business or organisation committing anti-social behaviour which spoils the community's quality of life.	Police, Council, Designated Social landlords	The conduct of the individual, business or organisation is having a detrimental effect on the quality of life of those in the locality, is persistent or continuing in nature and is unreasonable.	Criminal offence - fine	Appeal to the Magistrates Court
Criminal Behaviour Order	Existing power but modified	To deal with a wide range of anti-social behaviours with the aim to tackle the most serious and persistent offenders and available on conviction for any criminal offence.	CPS	Offender has engaged in behaviour that caused, or was likely to cause, harassment, alarm or distress to one or more persons and that making the order will help in preventing the offender from engaging in such behaviour.	Criminal offence - fine and or prison	Appeal to the Crown Court
Civil Injunction	Existing power but modified	To stop or prevent individuals engaging in anti-social behaviour quickly before they escalate.	Police, Council, Housing Provider, NHS, Environment Agency	Evidence to the civil standard of proof that the respondent has engaged in, or is threatening to engage in, conduct capable of causing nuisance or annoyance to another person.	Contempt of Court - fine or prison	Appeal to Crown Court
Police Dispersal Power	Existing power but modified	Requires a person committing or likely to commit anti-social behaviour, crime or disorder to leave an area for up to 48 hours.	Police	Reasonable grounds to suspect that the behaviour of the person has contributed or is likely to contribute to members of the public in the locality being harassed, alarmed or distressed or to crime and disorder occurring in the locality. Giving a direction to the person is necessary for the purpose of removing or reducing the likelihood of anti-social behaviour, crime or disorder.	Criminal offence - fine and or prison	Appeal to Police
Public Spaces Protection Order	Existing power but modified	To stop individuals or groups committing anti-social behaviour in a public space.	Council after consultation with Police and Crime Commissioner and Police	The activities carried out have had, or are likely to have a detrimental effect on the quality of life of those in the locality, is likely to be persistent or continuing in nature, is unreasonable and justifies the restrictions imposed.	Criminal offence - fine	Appeal to High Court by anyone who lives in or regularly works or visits the area subject to PSPO.

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<b>Delegations to Council Officers in relation to Anti Social Behaviour following the coming into force of the Anti-social Behaviour, Crime and Policing Act 2014</b>	
<b>Current relevant delegations</b>	<b>Recommended delegations</b>
<p><b>1. Delegated by the Executive Councillor for Housing to the Director of Customer and Community Services</b></p> <p>“The Council’s powers relating to Housing Management and Anti-Social Behaviour as contained in the Anti-Social Behaviour Act 2003”</p>	<p><b>Delegated by the Leader and Executive Councillor for Strategy to the Director of Customer and Community Services::</b></p> <p>in addition to the existing delegation”</p> <p>The Council’s powers and functions relating to anti-social behaviour as contained in the Anti-Social Behaviour, Crime and Policing Act 2014 with the exception of Public Spaces Protection Orders and approval of the Community Trigger Threshold and procedure.</p>
<p><b>2. Delegated by the Executive Councillor for Community Development and Health to the Director of Customer and Community Services</b></p> <p>“S1 Crime and Disorder Act 1998 (ASBOS) and subject to notifying the Leader and the Spokespersons of the Strategy Committee of any order which has been authorised”</p> <p>Note: S1 has been repealed by the Anti-Social Behaviour, Crime and Policing Act 2014</p>	<p><b>Delegated by the Leader and Executive Councillor for Strategy to the Director of Customer and Community Services</b></p> <p>“Injunctions under Part 1 of the Anti-Social Behaviour, Crime and Policing Act 2014 including the decision about whether to publicise an injunction subject to notifying the Leader, and the Chair and Spokespersons of the Strategy and Resources Scrutiny Committee when publicity has been authorised”</p> <p>“Criminal Behaviour Orders (CBOs) under Part 2 of the Anti-Social Behaviour, Crime and Policing Act 2014 including the decision about whether to publicise a CBO except when an order prohibiting publication has been made under section 39 of the Children and Young Persons Act 1933, subject to notifying the Leader and the Chair and Spokespersons of the Strategy and Resources Scrutiny Committee when publicity has been authorised”</p>

<p><b>3. Currently delegated to Head of Refuse and Environment</b></p> <p>Prevention control and remedy of statutory nuisances</p> <p>Monitoring and control of noise, including management of the Noise Call Out Service and powers under Anti-Social Behaviour Act 2003 (NB the delegation to close premises causing a noise problem under the 2003 Act is to the Chief Executive, who in turn authorized the HEHWS to undertake this function (29.4.04)</p> <p>Other Public Health regulatory functions not otherwise specified within these delegations</p> <p>Note: the provisions of the Anti-Social Behaviour Act 2003 relating to closure of noisy premises have been repealed by the Anti-Social Behaviour, Crime and Policing Act 2014</p>	<p><b>Delegated by the Leader and Executive Councillor for Strategy to the Director of Customer and Community Services, the Director of Environment and the Head of Refuse and Environment</b></p> <p>In addition to the current delegation</p> <p>To authorise the issue and enforcement of Community Protection Notices under Part 4 of the Anti-Social Behaviour, Crime and Policing Act 2014</p> <p>Note: The delegation of this power to the Director of the Environment and Director of Customer and Community Services will enable the Directors to delegate the issue of Community Protection Notices to officers within their departments as they consider appropriate to enable enforcement to be carried out effectively</p>
<p><b>4. Currently delegated to the Director of Customer and Community Services</b></p> <p>“Consultation with the Police generally in relation to the closure of premises where drugs are used unlawfully under Part 1 of the Anti- Social Behaviour Act 2003”</p> <p>Note: Part 1 of the Anti-Social Behaviour Act 2003 has been repealed by the Anti-Social Behaviour, Crime and Policing Act 2014</p>	<p><b>From the Leader and Executive Councillor for Strategy to the Director of Customer and Community Services and the Head of Refuse and Environment</b></p> <p>The Council’s powers relating to Closure Notices and Closure Orders under Part 4 of the Anti-Social Behaviour Crime and Policing Act 2014 including issuing notices for periods not exceeding 24 hours, subject to the Chief Executive (or a person designated by her) having power to issue notices for periods up to 48 hours.</p> <p>Note: The Anti-Social Behaviour, Crime and Policing Act gives power to the Chief Executive (or a person designated by her) to issue notices for periods up to 48 hours. The Chief Executive will decide which officers she will designate.</p>