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Cambridge City Council

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

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

Alternates: Councillors Sarris and Smith

Leader of the Council: Councillor Herbert

Executive Councillor for Finance and Resources: Councillor Owers

Despatched: Wednesday, 7 January 2015

Date: Monday, 19 January 2015

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 9 - 32)

To confirm the minutes of the meetings held on 20 October 2014

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 Leader

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

- 5 Single Equality Scheme 2015-2018** *(Pages 33 - 70)*

- 6 Environmental Policy Statement** *(Pages 71 - 86)*

- 7 Review Of Use Of The Regulation Of Investigatory Powers Act**
(Pages 87 - 108)

- 8 Procurement and Blacklisting** *(Pages 109 - 130)*

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

- 9 Council Tax Reduction Scheme 2015/16** *(Pages 131 - 148)*
- 10 Money Transmission (Banking) Contract** *(Pages 149 - 152)*
- 11 Annual Treasury Management Strategy Statement 2015/16**
(Pages 153 - 172)

Decisions of the Leader

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

- 12 Strategy and Transformation Portfolio Revenue and Capital Budgets 2015/16 (Estimate), 2016/17, 2017/18, 2018/19 and 2019/20 (Forecast)**
(Pages 173 - 184)

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

- 13 Finance and Resources Portfolio Revenue and Capital Budgets 2015/16 (Estimate), 2016/17, 2017/18, 2018/19 and 2019/20 (Forecast)**
(Pages 185 - 202)
- 14 Budget Setting Report February 2015** *(Pages 203 - 208)*

Budget Setting Report 2015/16 – attached separately

15 Combined Colleges Boathouse, Logan's Way - Grant of New Lease
(Pages 209 - 214)

16 Commercial Property Investment *(Pages 215 - 224)*

The public is likely to be excluded during any discussion on the confidential appendix by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

17 Lease of Land at Cheddars Lane

The report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Items for decision by the Executive Councillor for Finance and Resources, without debate

18 General Debts - Bad Debts for Write-off *(Pages 225 - 228)*

The public is likely to be excluded during any discussion on the confidential appendix by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Information for the Public

Location

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

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

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

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

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

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE 20 October 2014
5.00pm - 9.13 pm

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

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

Head of Corporate Strategy: Andrew Limb

Head of Human Resources: Deborah Simpson

Head of Refuse and Environment: Jas Lally

Head of Revenue and Benefits: Alison Cole

Head of Arts and Recreation: Debbie Kaye

Head of Finance: Caroline Ryba

Neighbourhood Resolution Panel Coordinator: Maria Lambrou

Climate Change Officer: Clare Palferman

Committee Manager: Glenn Burges

FOR THE INFORMATION OF THE COUNCIL**14/69/SR Apologies for absence**

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

14/70/SR Declarations of interest

Councillor	Item	Interest
Benstead	14/84/SR	Personal: Member of GMB
C. Smart	14/84/SR	Personal: Member of a trade union

14/71/SR Minutes of the previous meeting

The minutes of the meeting held on 29 September 2014 were approved as a correct record and signed by the Chair.

14/72/SR Public Questions

The Chair proposed that these be taken at the start of the relevant agenda item.

14/73/SR Record of Urgent Decision taken by the Executive Councillor for Finance and Resources

Potential sale of LBI HF claims

This urgent decision was noted.

14/74/SR Irrecoverable debts to be written off

Matter for Decision: Write off of irrecoverable debts.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

- i. Agree the debt write-offs deemed irrecoverable.

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:

This item was not requested for pre-scrutiny and the committee made no comments in response to the report.

The Scrutiny Committee considered the recommendation and endorsed it unanimously.

The Executive Councillor approved the recommendation.

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

Not applicable.

14/75/SR General Debts - Bad Debts for Write-off

Matter for Decision: Write off of debts.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

- i. Write-off 2 debts totalling £10,722.88 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:

This item was not requested for pre-scrutiny and the committee made no comments in response to the report.

The Scrutiny Committee considered the recommendation and endorsed it unanimously.

The Executive Councillor approved the recommendation.

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

Not applicable.

14/76/SR Mid-Year Financial Review (MFR) 2014/15 to 2017/18 - Treasury Management half yearly update report

Matter for Decision: The Council is required by regulations issued under the Local Government Act 2003, to produce a half yearly strategy treasury report reviewing treasury management activities.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

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

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 Finance.

In response to member's questions the Head of Finance and the Director of Customer and Community Services said the following:

- i. The current HRA treasury strategy is to set aside 25% of the value of the loan portfolio by the point at which the first of 20 loans reaches maturity. This will allow the authority to decide whether to redeem a proportion of the loans, or instead to refinance them, dependent upon its prevailing rates of interest at this time.
- ii. The City Council would have limited liability on any Municipal Bonds issued. These would be added to the counterparty list when approved.
- iii. Agreed to circulate the definition used for cash durations applicable to Appendix C of the officer's report.

Councillor Catherine Smart proposed the following minor amendment to recommendation 2.4 of the officer's report (amendment underlined):

- delegation of the final decision on investment to the Head of Finance in consultation with the Executive Councillor for Finance and Resources.

On a show of hands this was agreed unanimously.

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.

14/77/SR Review of General Fund Earmarked and Specific Funds

Matter for Decision: The report identified considerable balances held within the Council's accounts, earmarked for specific uses in the future. In the current challenging financial environment, they are a valuable resource that could be used to support the Council's budget in the short term, and enable transformational projects to deliver savings in the longer term.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

- i. Approve the principles to be applied to the detailed review of General Fund earmarked reserves and specific funds (para 3.6 of the officer's report).
- ii. Agree that the results of the review be reported and actioned in the budget setting report in February 2015.
- iii. Agree in principle to the setting up of an Invest to Save fund, subject to the development of terms of reference and operating procedures (para 3.7 of the officer's report).
- iv. Note that the requirement for a contingency budget to act as a safety net will be considered (para 3.9 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 Head of Finance.

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

- i. The report proposed fundamental changes to the Council's financial processes and the way funding was managed.
- ii. The report proposed moving from the ongoing availability of funds to an annualised budget setting process.

- iii. It was important to prepare the Council for a time when less funding was available.

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

- i. The level of earmarked and specific funds stood at £24m. This was significantly higher than other local authorities of similar size in the East of England.
- ii. These funds could be used to support the Council's current budget challenges and be bid for only when required.
- iii. Acknowledged that there was a need to retain funds for 'a rainy day' but felt that over the years there had been a lack of transparency on how these funds were spent and allocated.
- iv. Agreed that earmarked funds did provide space and time for services to develop bid proposals, but felt that this could be retained with the new system.

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

The Scrutiny Committee considered the following recommendation and endorsed it by 4 votes 3:

- Approve the principles to be applied to the detailed review of General Fund earmarked reserves and specific funds (para 3.6 of the officer's report).

The Scrutiny Committee considered the following recommendations and endorsed them unanimously:

- Agree that the results of the review be reported and actioned in the budget setting report in February 2015.
- Agree in principle to the setting up of an Invest to Save fund, subject to the development of terms of reference and operating procedures (para 3.7 of the officer's report).
- Note that the requirement for a contingency budget to act as a safety net will be considered (para 3.9 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.

14/78/SR Welfare Reform Update

Matter for Decision: The report provided an update on the progress with Welfare Reforms.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

- i. Note the areas of welfare reform and their continued impact on residents of Cambridge.
- ii. Agree that the additional 2014/15 DWP New Burdens funding of £20,307, which was paid towards the costs of implementing welfare reform changes (and any subsequent New Burdens welfare reform payments), be ring-fenced to the Revenues and Benefits service in order to be fully utilised for the intended purpose.

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 Revenues and Benefits.

In response to members' questions, the Head of Revenues and Benefits and the Director of Customer and Community Services said the following:

- i. A report in relation to Council Tax Reduction scheme will be brought to Strategy and Resources in January 2015, with the recommendation that the current scheme continues for the 2015/16 financial year. (Technical changes to council tax are anticipated to continue to meet the shortfall in

- funding for 2015/16, but as the grant element is not broken down it is difficult to quantify this).
- ii. Nearly every household affected by the removal of the spare room subsidy have been visited by officers. As a result of the Housing Benefit RSRS changes, it is understood that 30 households had moved and 32 had agreed to mutual exchanges.
 - iii. The DWP interim report refers to rent arrears rising between October 2013 and April 2014 by 16%. This is total arrears (for all reasons) held by social landlords and the report emphasises that the cause is uncertain and cannot be directly attributed to RSRS.
 - iv. City Homes arrears as a percentage of the collectable debt were as follows: 2.35% (2012/13), 2.08% (2013/14) and 1.89% at week 16 (2014/15).
 - v. The current level of City Homes rent arrears attributed to RSRS is approximately 5% of the total rental arrears.
 - vi. Details on the number of households with children of an age soon to be requiring separate bedrooms was held by Housing Benefit officers and is a consideration when awarding Discretionary Housing Payments (DHP).
 - vii. £97,819 of DHP was paid during 2014/15 compared to £66,000 in 2013/14. However it was difficult to compare these figures as there are long-term more awards being made during 2014/15, which has front loaded expenditure.
 - viii. It is not anticipated that the Council would exceed its DHP funds for 2014/15.

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.

14/79/SR Training Spend and Budgets

Matter for Decision: The reports set out an analysis of the Council's training budgets and spend in recent years and highlighted potential barriers to participation in training.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

- i. Note the Council's training spend and budgets.
- ii. Note the potential barriers to training participation.

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 Human Resources.

In response to member's questions the Head of Human Resources said the following:

- i. There had been a top slice of 25% from training budgets across the Council. However a further readjustment was taking place to refine budgets based on need across 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.

14/80/SR Annual Climate Change Strategy, Carbon Management Plan and Climate Change Fund Status Report

Matter for Decision: The report provided an update on progress during 2013/14 on actions to deliver the three strategic objectives of the City Council's current Climate Change Strategy, which covered a five year period from 2012-2016.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

- i. Note the progress achieved during 2013/14 in implementing the Climate Change Strategy and the Carbon Management Plan.
- ii. Note the Climate Change Fund Status 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 Head of Corporate Strategy and the Climate Change Officer.

In response to member's questions the Head of Corporate Strategy and the Climate Change Officer said the following:

- i. A report on the Energy Partnership would be brought to a future meeting of the committee.

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.

14/81/SR Anti-Poverty Strategy

Matter for Decision: Following a review of available evidence and initial consultation with stakeholders, the City Council had developed a draft Anti-Poverty Strategy. The aim of the strategy was to improve 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 on low incomes to experience financial pressures.

Decision of the Executive Councillor for Finance and Resources

The Executive Councillor resolved to:

- i. Approve the draft Cambridge City Council Anti-Poverty Strategy for public consultation and bring a report back to a future meeting.
- ii. Endorse the four objectives for the draft Cambridgeshire Child Poverty Strategy.

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 Corporate Strategy.

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

- i. Performance measures and indicators were in place to monitor the impact of the Strategy.
- ii. The Strategy would help residents to cope with changes being made by central government.
- iii. Partnership working was a big part of the Strategy.
- iv. Work was continuing with the Joseph Rowntree Foundation.

It was confirmed that a further report would be brought to the committee regarding the outcome of the public consultation. The recommendations were amended accordingly.

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.

14/82/SR Arrangements to Establishment The Cultural Trust

Matter for Decision: Transfer to the Cultural Trust of the Council responsibilities as set out in the officer's report.

Decision of the Leader

The Leader resolved to:

- i. Approve the transfer to the Cultural Trust ("Cambridge Live") of the Council responsibilities set out in the officer's report.
- ii. Approve the funding, property, staffing and relationship management arrangements proposed in the officer's report.
- iii. Authorise the Director of Customer and Community Services to take all decisions and actions needed to implement the proposals set out in the officer's report.
- iv. Recommend Council to approve the budget and finance proposals set out in the officer's report.
- v. Note the recommendations made by the Executive Councillor for Arts & Recreation and approve two Councillor Trustees to be appointed to the board of Cambridge Live as set out in the officer's report.
- vi. Note the decision by the Executive Councillor for Communities Arts & Recreation taken on 16th October 2014 in respect of the review of outdoor events.

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 Arts and Recreation. The following minor change to recommendation 2.2 of the officer's report was highlight (deletion ~~struck through~~):

- Recommend Council to approve ~~through the budget setting report 2015~~ the budget and finance proposals set out in the officer's report.

In response to member's questions the Head of Arts and Recreation and the Director of Customer and Community Services said the following:

- ii. Whilst periodic contractual review points would be built in every five years to look at performance, direction of travel and funding arrangements, the first of these would take place in autumn 2017.
- iii. The Cultural Trust would have their own Reserves Policy.
- iv. There would be an option to review the 'peppercorn' rates if the Cultural Trust exceeded targets.
- v. The use of Council property and assets did not currently feature on the balance sheet. This approach will be reflected in the legal agreement and leases and licenses.
- vi. The purpose of the project was to reduce the subsidy required to these services; to provide a sustainable financial and operational basis on which they could thrive; and to mitigate the risks of the Council continuing to run the services directly.
- vii. Potential damage to the reputation of the Council had been highlighted within the risk assessment and would be addressed through the legal documentation.
- viii. The business plan provides for the payment of the living wage to staff and have access to a closed LGPS pension scheme.
- ix. Whilst review clauses were in place, a 25 year contract would allow time for the Cultural Trust time to develop a sustainable model in order to develop the cultural offer in the City. Security of continuity was also important with regards to fundraising.
- x. Budget contributions for outdoor events were separated within the business plan.
- xi. The minutes of Cultural Trust Board meetings would be available to the public and there would be an open aspect to their Annual General

Meeting. The public could also apply to be Trustees through an open process.

- xii. The Cultural Trust would decide if their meetings were fully open to the public.

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

- i. Normal proportionality rules would apply with regards to the appointment of Councillor Trustees. A Councillor from each of the two largest groups would be appointed, on the basis of current proportionality.
- ii. The purpose of the project was to both maintain and enhance the cultural offer within the City. The Council had a long history of supporting the Corn Exchange, the Folk Festival and the outdoor events programme and this should continue.
- iii. Scrutiny of the Cultural Trust would be undertaken by the proposed reports to the Council, assisted by the role of the two Councillor Trustees.
- iv. An annual report would be brought to the Community Services Scrutiny Committee, six monthly in the first year, as well as a detailed report to the Strategy and Resources Scrutiny Committee as part of the budget setting process.
- v. The Executive Councillor for Community, Arts and Recreation would be responsible for policy and the specific budget would form part of his portfolio. The Executive Councillor for Finance and Resources would be responsible for the overall budget implications as part of the budget setting process. The Leader would be responsible for overall governance and the transformation agenda.
- vi. Work was ongoing across the City with regards to the Living Wage and discussions would continue with the Cultural Trust with its paid staff receiving at least the Living Wage.

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

- i. The Chief Executive held responsibility for reducing the Council's corporate overheads. These were dispersed across services and Executive Councillor portfolios and the detailed transformation agenda (including Trusts, shared services and arm's length bodies) developed by the Director of Business Transformation would address this.

At the request of Councillor Bick the Leader agreed to add the following to bullet point 2 of the draft Articles of Association (addition underlined):

- ...the advancement of education and participation, particularly, but not exclusively, in relation to music, arts and performing arts;

Councillor Bick proposed the following amendment to recommendation 2.2(c) of the officer's report (addition underlined):

- Authorise the Director of Customer and Community Services to take all decisions and actions needed to implement the proposals set out in the officer's report in consultation with the Leader and Opposition Spokes.

On a show of hands this proposal was lost by 3 votes to 5.

The Scrutiny Committee considered the recommendations and endorsed them by 5 votes to 0.

The Leader approved the recommendations.

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

Not applicable.

14/83/SR Corporate Enforcement Policy

Matter for Decision: Legislative changes and in particular the Regulators Code which is a statutory code came into force in April 2014 making it necessary to review and update the Council's Corporate Enforcement Policy.

Decision of the Leader

The Leader resolved to:

- vii. Adopt the proposed Corporate Enforcement Policy attached as 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:

The committee received a report from the Head of Refuse and Environment.

In response to member's questions the Head of Refuse and Environment said the following:

- i. Central Government was keen on a statutory code to ensure consistency of approach by Local Authorities across the Country.

The Scrutiny Committee considered the recommendation and endorsed it unanimously.

The Leader approved the recommendation.

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

Not applicable.

14/84/SR Shared Services

Mr Kevin Roberts addressed the committee and made the following points on behalf of GMB and Unison:

- i. A proposed location for the shared services was not mentioned in the report. A detailed Travel Plan was required, including compensation for longer journeys, for those staff required to relocate and/or unable to drive.
- ii. Cambridge City Council had a more successful recruitment due in no small part to the City location. This advantage would be lost if Cambourne or Huntingdon became the new headquarters. There was no evidence of high staff turnover in Cambridge but this may be the case for the other authorities.
- iii. Regular joint meetings between the three authorities and the trade unions were required.
- iv. Additional technology such as IT systems, software and video conferencing was required in order to make shared services work.

The Chief Executive confirmed that regular joint meetings would take place between the three authorities and the trade unions. It was noted that options were being looked at with regards to service location.

Councillor Catherine Smart confirmed that the issues would also be discussed in full at the Joint Staff Employer Forum (JSEF).

Matter for Decision: Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council all made decisions in July to work in partnership to deliver shared services. A significant amount of work had taken place since then and the report set out progress together with proposed next steps to ensure momentum was maintained.

Decision of the Leader

The Leader resolved to:

- ii. Note the good progress to date by all three Councils working together to deliver shared services.
- iii. Agree the general principles set out in Paragraph 4 of the officer's report, namely:
 - The lead authority model in the first instance (para 4.2)
 - Proposed lead and location arrangements (para 4.3)
 - Proposed cost sharing proposals (para 4.4)
- iv. Agree to a phased approach to the development of ICT and Legal Shared Services, with interim project support appointed to assist with the process and develop full business cases.
- v. Establish a Business and Legal Practice Manager in advance of the proposed shared legal service to assist with the transformation programme and development of the shared service.

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, the Director of Environment and the Chief Executive said the following:

- i. It was proposed that a single team manage the shared Waste Service and South Cambridgeshire had offered to lead on this.
- ii. The Environment Scrutiny Committee on 17 October 2014 had requested that the option of a local delivery vehicle be investigated by officers.
- iii. The joint support costs for the Waste Service amounted to over £1m and this needed to be reduced.
- iv. There was a need to develop support services that were fit for the future direction of the City Council.
- v. Whilst it would not happen overnight processes were being developed to help manage the reduction of recharges.
- vi. The current level of central recharge costs was £7.5m and a reduction of £1.9m was required. A 15% reduction would be distributed across the three authorities.
- vii. The detail on the role of the 'lead authority' was yet to be fully agreed.
- viii. Any policy changes with regards to the shared services needed to be agreed by all three authorities. This would be done through their normal decision making processes.
- ix. A shared CCTV Service was already in place and this was being led by Huntingdonshire District Council. The first governance meeting had taken place and operational plans and an annual report were being produced.

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

- i. All decisions regarding the future of shared services would be brought to the relevant Scrutiny Committee for discussion.
- ii. The decision on 'lead authority' would be based on factors such as location and expertise.
- iii. The shared Waste Service would require close working between the City Council and South Cambridgeshire District Council.
- iv. Portfolio holders from each authority would be involved in overseeing performance of the shared service.
- v. A strong relationship existed with Huntingdonshire District Council regarding the shared CCTV Service.

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.

14/85/SR Neighbourhood Resolution Panel Scheme (NRPS) - Progress Report

Matter for Decision: The report set out interim progress made in relation to the development of the Neighbourhood Resolution Panel Scheme (NRPS) following a report to the committee on 17 March 2014.

Decision of the Leader

The Leader resolved to:

- i. Note the amended report attached as Appendix 1 of the officer's report which set out progress since March 2014.
- ii. Endorse progress made and the proposals for continued development of the scheme.

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

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

Scrutiny Considerations:

The committee received a report from the Neighbourhood Resolution Panel Coordinator. An amended Appendix 1 was tabled.

In response to member's questions the Neighbourhood Resolution Panel Coordinator said the following:

- i. None of the referrals to date were connected to domestic violence.

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

- xiii. Discussions were ongoing with the Police and Crime Commissioner regarding his proposal for the Community Remedy.

The Scrutiny Committee considered the recommendations and endorsed the unanimously.

The Leader approved the recommendation.

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

Not applicable.

14/86/SR Establishment of Greater Cambridge Joint Governance Framework

Matter for Decision: The Greater Cambridge City Deal document was signed on 19 June 2014 on behalf of all five local partners (Cambridgeshire County Council, Cambridge City Council, South Cambridgeshire District Council, the Greater Cambridge Greater Peterborough Enterprise Partnership and the University of Cambridge) and Government.

Decision of the Leader

The Leader resolved to:

- iii. Agree the following and to recommend them to Full Council for endorsement:
 - The Terms of Reference for the Executive Board;
 - The Leader of the Council be appointed to represent the Council on the Executive Board;
 - Councillor Blencowe be appointed as the Council's substitute representative on the Executive Board;
 - The Terms of Reference for the Assembly;
 - The delegation of the executive functions of the City Council referred to in the Terms of Reference for the Executive Board.

- iv. Invite Full Council to appoint Council's three representatives on the Assembly, on a politically proportionate basis.

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 Corporate Strategy.

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

- i. The City Deal Assembly was an advisory board made up of 15 representatives from across the five partner organisations. As this included non-Councillors and was not a full Scrutiny Committee in relation to Local Government legislation it was deemed inappropriate to have alternate or substitute members. This would encourage the same people to turn up and work effectively as the Assembly.
- ii. It was hoped that the Assembly Members would meet informally soon after appointments were completed, ahead of its first formal meeting in January.
- iii. Cross membership of Executive Councillors and Spokes and the Assembly was possible.
- iv. The City Deal Board meetings would be held in public, as would the Assembly.

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.

14/87/SR Authority to deputise for the Chief Executive

Matter for Decision: The Chief Executive was due to be away from work for a period from mid-October for medical reasons. The Leader was asked to recommend, and Council was asked to approve, arrangements for the Director of Customer and Community Services to deputise for the Chief Executive during her absence.

Decision of the Leader

The Leader resolved to:

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

Reasons for the Decision: As set out in the recommendation.

Any alternative options considered and rejected: N/A

Scrutiny Considerations:

The Scrutiny Committee considered the recommendation and endorsed it unanimously.

The Leader approved the recommendation.

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

Not applicable.

The meeting ended at 9.13 pm

CHAIR

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

Report by: David Kidston, Strategy and Partnerships Manager

Relevant scrutiny committee: Strategy & Resources
19/1/2014
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

DRAFT SINGLE EQUALITY SCHEME 2015-2018

Key Decision

1. Executive summary

1.1 The City Council has developed a draft Single Equality Scheme that sets out how the organisation will challenge discrimination and promote equal opportunity in all aspects of its work over the next three years. The draft of the new scheme is attached at Appendix A. It includes five strategic objectives that demonstrate how the organisation will meet the aims of the Equality Duty and the requirement to prepare and publish one or more equalities objectives. Public consultation on the scheme will take place for 12 weeks from 2 February to 25 April 2015.

2. Recommendations

2.1 The Executive Councillor is recommended to:

1. Approve the draft Single Equality Scheme 2015-2018 for public consultation.
2. Approve the objectives of the draft Single Equality Scheme, as set out at 3.11, as the interim objectives for the City Council's work on equalities, pending the outcome of public consultation and approval of the final scheme in July 2015.

3. Background

3.1 Cambridge City Council has a strong track record of challenging

discrimination and promoting equal opportunities in all aspects of its work. The passing of the Equality Act 2010 was a significant milestone in the equalities agenda. Coupled with the wider financial context facing the Council, this has challenged the authority to remain focused on its equalities objectives and to consider the impact of all its decisions on the different communities of Cambridge.

3.2 On the 5th of April 2011 the general Public Sector Equality Duty was implemented, which requires local authorities and other bodies exercising public functions to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation.
- Advance equality of opportunity between those who share a protected characteristic and those who don't.
- Foster good relations between those who share a relevant protected characteristic and those who don't.

3.3 The Equality Act also requires specific public bodies, including Cambridge City Council, to:

- Publish information annually to demonstrate how it meets the equality duty.
- Prepare and publish one or more objectives to meet any of the aims of the equality duty at least every four years.

3.4 To meet the requirements of the PSED and the other specific duties established in the Equality Act, the City Council chose to produce two Single Equality Schemes, the first covering the 2009-2012 period, and the second covering the 2012-2015 period. Both schemes can be found on our website here: <https://www.cambridge.gov.uk/equality-and-diversity-policies-and-plans>

3.5 We have also published annual reports setting out our equalities activities and progress in delivering the objectives included in the Single Equality Scheme. Every year we also publish our Equality in Employment Workforce Report, which provides detailed information about the make-up of our workforce. All these reports can be found on our website here: <https://www.cambridge.gov.uk/equality-and-diversity-performance>

3.6 Cambridge City Council has chosen to develop a new Single Equality Scheme for the period 2015-2016. Although producing and publishing specific Equality Schemes no longer form part of our public duties under law, the City Council believes that having a Single Equality Scheme will help it to ensure that it complies with the specific and general duties established in the Equality Act (as outlined at 3.2 and 3.3), assist in

promoting community cohesion and improve its knowledge and awareness of equality and diversity issues.

- 3.7 The new three-year scheme builds on the previous one and all the achievements the Council has made in recent years on the equalities and diversity agenda. It covers all the protected characteristics of Race, Disability, Gender, Gender Reassignment, Age, Sexual Orientation, Religion & Belief, Pregnancy & Maternity, and Marriage and Civil Partnership.
- 3.8 In addition to the nine protected characteristics identified by the Equality Act, the City Council is also committed to tackling poverty and social exclusion. Although poverty or low income are not identified as protected characteristics under the Equality Act, we currently assess the impact of all new major policies and projects on residents and service users who have these characteristics.
- 3.9 The Council is currently developing a dedicated Anti-Poverty Strategy to improve the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also to alleviate issues that can lead households on low incomes to experience financial pressures. The Single Equality Scheme focuses primarily on the nine protected characteristics, but references the key actions included in the draft Anti-Poverty Strategy where relevant.
- 3.10 The draft scheme and the strategic plan incorporated within it do not attempt to capture everything the City Council does to advance equalities and diversity, but it sets out the organisation's priority areas for action in the next three years. The draft scheme was developed through an understanding of the City Council's achievements to date, an analysis of data available from relevant research and consultation exercises, and an assessment of where the authority needs to focus further effort.
- 3.11 The draft Single Equality Scheme identifies 5 objectives for the City Council's work on equalities issues from April 2015 to March 2018. It is proposed that these five objectives should be adopted as interim objectives for the Council's activities, until the public consultation has been completed and the final scheme is presented to Strategy and Resources Committee for approval in July 2015. The proposed objectives for the new scheme are:
 1. To further increase our understanding of the needs of Cambridge's growing and increasingly diverse communities so that we can target our services effectively

2. To continue to work to improve access to and take-up of Council services from all residents and communities
3. To ensure all residents have equal access public activities and spaces in Cambridge and are able to participate fully in the community
4. To tackle discrimination, harassment and victimisation and ensure that people from different backgrounds living in the city continue to get on well together.
5. To ensure that the City Council's employment policies and practices are non-discriminatory and to work towards a more representative workforce within the City Council.

4. Consultation

4.1 In accordance with the principles of the Cambridgeshire Compact, it is proposed that the public consultation on the draft Single Equality Scheme will take place for 12 weeks from 2 February to 25 April 2015. As part of the consultation the Council will:

- Publish the draft strategy and a questionnaire survey on the City Council website. The survey will be publicised via the Council's Twitter account, a media release and other corporate communications channels, and sent directly to relevant partner organisations;
- Hold a series of bilateral meetings with voluntary and community groups that represent particular equalities groups;
- Seek advice from the Equalities Panel at a Special Meeting of the Panel on 2 February 2015.
- Seek the views of City Council staff via existing fora including the Joint Equalities Group, the staff groups and the trade unions.

5. Implications

(a) Financial Implications

As equalities has been mainstreamed across all Council services, the activities and actions identified in the strategic action plan will primarily be delivered through existing service budgets and will not require additional resources. However, the Strategy and Partnerships Team has a small budget to support equalities projects and publications, and a further budget to finance interpreting services to support fair and equal access to and delivery of services. Other services support corporate and service based equalities initiatives through provision of staff resources and occasionally

funds for specific projects. We also work extensively with partner organisations to maximise the impact of our resources.

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

As equalities has been mainstreamed across all Council services, the activities and actions identified in the strategic action plan will primarily be delivered as part of the core responsibilities of staff within the relevant services. The Joint Equalities Group is made up of staff representatives from across all City Council services who are able to input time to supporting the mainstreaming of equalities. These are not specific posts within services, but are roles that have been adopted by staff where departments have been able to absorb additional duties.

(c) Equality and Poverty Implications

No Equality Impact Assessment (EqIA) has been carried out for the Single Equality Scheme. The Single Equality Scheme 2015 -18 will form the framework for the City Council's work to challenge discrimination and promote equal opportunity in all aspects of its work, and includes a range of actions that are designed to promote equality of opportunity. It also includes a range of evidence on the make-up of communities in Cambridge and the issues they face, so it will provide a useful resource for the completion of EqIAs for other projects and policies.

The Council is currently developing a dedicated Anti-Poverty Strategy to improve the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also to alleviate issues that can lead households on low incomes to experience financial pressures. The Single Equality Scheme focuses primarily on the nine protected characteristics, but references actions included in the draft Anti-Poverty Strategy where relevant.

(d) Environmental Implications

The actions identified in the Strategic Action Plan are not anticipated to have any environmental impact, so a 'Nil' rating has been assigned

(e) Procurement

The City Council has taken steps to ensure that equalities considerations are embedded in its procurement processes. For example, we have published a Quick Procurement Guide which looks at how to deal effectively with equality issues in procurement projects. By doing this, staff can work to ensure that the suppliers and contractors that work for us don't operate in a way which conflicts with our legal responsibilities and do provide

services/supplies that meet the diverse needs of the people that use our services.

(f) Consultation and communication

See 4.1 for details of the proposed approach to public consultation on the draft Single Equality Scheme.

(g) Community Safety

The strategic action plan incorporated in the draft Single Equality Scheme 2015-2018 includes a number of actions that will have a number of positive impacts on community safety and cohesion in Cambridge and the experience of particular equalities groups in the city. For example:

- Working with Cambridgeshire County Council's Crime Research Team to use available data on hate crime to improve our understanding of the local issues
- Providing regular outreach surgeries at Cambridge Mosque and the Addenbrookes Hub on services to address racial harassment and anti-social behaviour
- Delivering a 'Prevent' event which will bring community representatives together to look at the issue of radicalisation
- Working to achieve White Ribbon status for the City Council and reduce domestic violence and abuse towards women and men

5. Background papers

No background papers were used in the preparation of this report

6. Appendices

Appendix A – Draft Single Equality Scheme 2015-2018

7. Inspection of papers

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

Author's Name: David Kidston
Author's Phone Number: 01223 - 457043
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Cambridge City Council

Single Equality Scheme

2015 – 2018



“Embracing diversity, committed to equality”

Cambridge City Council Single Equality Scheme 2015 - 2018

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Our equality objectives for 2015-18	22
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If you need this document produced in a different format such as Braille, large print, audio, on disk or in a language other than English, please contact us.

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Introduction

Cambridge City Council values the strength that comes with difference and the positive contribution that diversity brings to the city. Our vision for Cambridge¹ is of an international city which celebrates its diversity and actively tackles intolerance and discrimination. We want Cambridge to be a place where all citizens feel that they are listened to and have a stake in the community, and which supports and values individual and community initiatives that bring people together. This is reinforced by a clear statement of Equality Values².

In April 2010 the Equality Act was passed by Parliament bringing with it some specific duties for public bodies, including local authorities. Implementation of the Act began in October 2010 with the introduction of the employment, equal pay, education, and services, public functions and associations elements. On 5th April 2011 further parts of the Equality Act were implemented under the General Duty which requires local authorities and other local authorities exercising public functions to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between those who share a protected characteristic and those who don't
- Foster good relations between those who share a relevant protected characteristic and those who don't.

The specific duties support and aid compliance with the General Duty and require specific public bodies including Cambridge City Council to:

- Publish information annually to demonstrate how we meet the General Duty starting no later than the 31st of January 2012.
- Prepare and publish one or more objectives to meet any of the aims of the General Duty at least every four years starting no later than the 6th of April 2012.

Cambridge City Council has produced two previous Single Equality Schemes covering the periods 2009-2011 and 2012-2015. Producing and publishing specific Equality Schemes no longer form part of our public duties under law, however, Cambridge City Council believes that

¹ see <https://www.cambridge.gov.uk/annual-statement>

² see <https://www.cambridge.gov.uk/equality-and-diversity-policies-and-plans>

having a Single Equality Scheme will help it to ensure that it complies with the general and specific duties, assist in tackling discrimination and promoting community cohesion and improve its knowledge and awareness of equality and diversity issues.

The City Council's Single Equalities Scheme covers all the protected characteristics identified in the Equality Act, which are: Race, Disability, Gender, Gender Reassignment, Age, Sexual Orientation, Religion & Belief, Pregnancy & Maternity, Marriage and Civil Partnership. The Scheme is concerned with addressing discrimination in all its forms. The City Council is also committed to tackling poverty and social exclusion, recognising that greater social and economic equality are the most important pre-conditions for the city's success. Although poverty or low income are not identified as protected characteristics under the Equality Act, we currently assess the impact of all new major policies and projects on residents and service users who have these characteristics.

The Council is currently developing a dedicated Anti-Poverty Strategy to address to improve the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also to alleviate issues that can lead households on low incomes to experience financial pressures. The Single Equality Scheme focuses primarily on the nine protected characteristics, but references actions included in the draft Anti-Poverty Strategy where relevant.

As an employer, service provider and community leader, the Council aims to eliminate prejudice and discrimination, and to promote good relations between different groups. The Council aims to deliver high quality services in a fair and equal way to all who live and work in our community. The Council is committed to ensuring that citizens are encouraged to be involved in shaping its values and commitment to equality by:

- Influencing Council decision making processes
- Being involved in measuring Council performance
- Identifying and making suggestions on service improvement
- Working together in partnership.

What do we know about people in Cambridge?

Only by understanding who lives and works in Cambridge will we be able to provide appropriate and good quality services that meet the needs of the city's different communities. The information we hold about our communities is regularly updated and used to plan services.

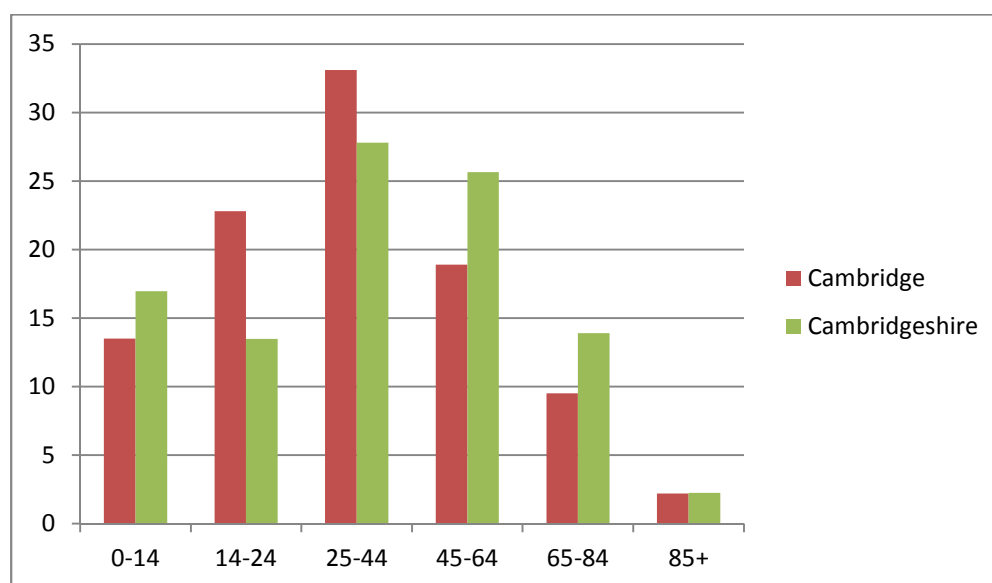
Since the Council's Single Equalities Scheme 2012-2015 was published in March 2012, data from Census 2011 has been released, improving our understanding of the people that live and work in Cambridge. It suggests that Cambridge continues to be a diverse city and a place of population growth.

Since 2001 the number of people living in Cambridge has increased by 15,000 people or 12.7%, to an estimated 123,900 people. The number of households in Cambridge has also increased by 4,042 or 8.6% since 2001. The Council expects this rate of growth to continue into the future due to the planned construction of new homes in the city.

Age

Cambridge's age structure differs significantly from the other districts in Cambridgeshire and nationally. The median age of people resident in Cambridge is thirty-one, one of the lowest medians for a local authority population in the country.

Chart 1: Residents by age group (percentage)



Over half (55.9%) of Cambridge's population continues to be aged between 15-44³. This is significantly higher than for Cambridgeshire as a whole, where 41.3% of people are aged between 15-44. This is primarily due to the city's large student population, with around 25,000 people attending Cambridge's universities.

Whilst the proportion of people over 65 in Cambridge has reduced since 2001, from 13.1% to 11.7%, the overall number has remained about the same at 13,500 people. This is contrary to the wider trend in Cambridgeshire and nationally of an aging population. In Cambridge, however, the number of the very elderly (85 years plus) has grown in number, from 2,100 in 2001 to 2,700 in 2011.

Available evidence suggests that older people are more likely to experience social isolation than other age groups. National research shows that over half (51%) of all people aged 75 and over live alone.⁴ 17% of older people are in contact with family, friends and neighbours less than once a week and 11% are in contact less than once a month.⁵ Two fifths of all older people say the television is their main company.⁶

Gender

According to the 2011 Census, there were 103.5 males to every 100 females resident in Cambridge, which is higher than the national average.

Ethnicity

The 2011 Census shows that Cambridge continues to be one of the most diverse places in the country, outside of London, with an increasing proportion of its population made up of ethnic groups that are not white.

In the 2011 Census, 82.5% (or 102,205 people) in Cambridge identified themselves as white, compared to 89.5% in the 2001 Census. In 2011

³ <http://www.cambridgeshire.gov.uk/NR/ronlyres/3B0B3A7B-E448-4D61-A853-0B5A1A467969/0/CambridgeCityDistrictReport2011.pdf>

⁴ Office for National Statistics (ONS), 2010, via Campaign to End Loneliness <http://www.campaigntoendloneliness.org/loneliness-research/>

⁵ Victor et al, 2003, via Campaign to End Loneliness <http://www.campaigntoendloneliness.org/loneliness-research/>

⁶ Age UK, 2014, via Campaign to End Loneliness <http://www.campaigntoendloneliness.org/loneliness-research/>

66% (or 81,742 people) of Cambridge's population identified themselves as White British, 1.4% (1,767 people) White Irish and 15% White other.

In 2011, 17.5% (or 21,700 people) identified themselves as belonging to other ethnic groups, compared to 10.0% in 2001. The largest non-white ethnic groups were Bangladeshi, Chinese and Indian, representing an aggregated proportion of the population of 7.9% (or 9,716 people).

The 2011 Census identified Gypsy/Travellers as an ethnic group for the first time and showed 109 people from this group living in Cambridge. In Cambridge, much of the traveller population is settled in housing rather than caravans. The Cambridge Area Travellers Needs Assessment estimated that in Cambridgeshire and Peterborough Gypsy/Travellers to be one of the largest minority ethnic groups in the county (at 6,080 people in 2005).

The 2011 Census also identified languages spoken in households. This reveals while 90% of households in the City contain at least one person who speaks English as a first language, there are 4,917 households (10% of all households) in Cambridge where no one in the household speaks English as a first language.

Migration

People are drawn to Cambridge because it has an international reputation as a centre for academic excellence and research and has a thriving high-tech sector. This economic success contributes to a high jobs density in the City, but has also led to a high cost of living and low housing affordability.

There is also a substantial churning in our population. According to the Council's own Electoral Registration records just over a fifth of the City's registered population changes each year. In November 2012 there were nearly 92,000 people registered in Cambridge. If you add in the number of non-responding properties, largely attributed to people from overseas (non-EU and Commonwealth) who are ineligible to vote (at 10% of households), this provides a picture of a dynamic population.

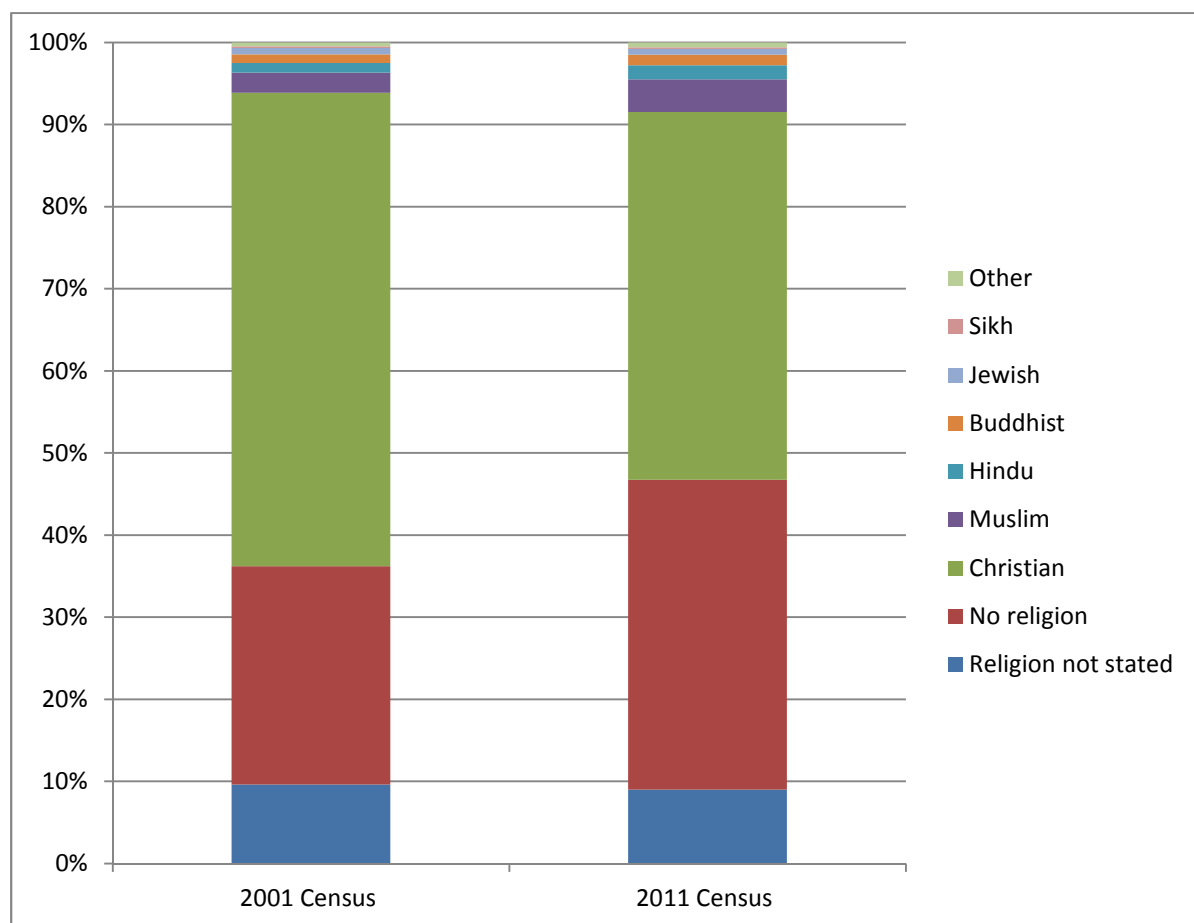
Partly because of the high level of migration to Cambridge, it is increasingly becoming a more diverse place with a number of different communities evenly spread, rather than concentrated, out across the geographical area of the City. The 2011 Census shows us that just under a third of people (33.1% or 46,100 people) resident in the City

were born outside of England. In 2001 just under a quarter of people (23.9% or 26,100 people) were born outside England. During the intervening period the number of people born in England, resident in Cambridge, has remained at nearly the same number (82,900 people). This suggests that the growth of the Cambridge has been supported by an increase in people from the European Union (the proportion doubling to nearly 8%) and people from outside the European Union (the proportion increasing by nearly a third to just under 18%).

Religion or Belief

Chart 2 below shows the religious make up of Cambridge in 2001 and 2011, according to Census data. The largest religious group in Cambridge is Christian, although the proportion of people in the city identifying themselves as Christian fell by almost 13% from 57.65% in 2001 to 44.8% in 2011. The next largest religious group in the city is Muslim, with the proportion of people who are Muslim increasing from 2.44% in 2001 to 4.0% in 2011.

Chart 2: Religion or belief of residents (percentage)



Cambridge remains among the districts with the highest proportions of people stating that they have no religion in the country. The proportion of people in the city with no religious association has increased from 26.6% in 2001 to 37.8% in 2011.

Disability

Estimates of disability prevalence are highly dependent on the definition of disability used. For example:

- The OPCS Survey of disability estimated that in 2006 8% of the Cambridgeshire population had a disability.
- The 2011 Census reported that 12.97% of the Cambridge City population declared themselves to have a disability. In 2011 12.97% of the Cambridge City population declared themselves to have a disability. Our analysis suggests that 8.3% of the total Cambridge City population is declaring a disability and economically active.
- The 2011 Census reported that 22.2% of households in Cambridge contained at least one person with a long term illness, health problem or disability which limit their daily activities, compared with 13.7% in 2001.

Sexual Orientation

There are no statistically reliable data on the proportion of Cambridge residents who declare themselves as LGB (lesbian, gay and bi-sexual). However, Stonewall, the national charity working for equality for lesbians, gay men and bisexuals, states that a reasonable estimate for the UK's population of LGB people would be 5-7%. This would equate to approximately 5,360 – 7,504 people aged 15 or over in Cambridge. 107,200.

It is recognised that urban areas like Cambridge tend to have higher LGB population rates than the national average, and Cambridge in particular is widely considered to have a large LGB community.

Transgender and Gender Reassignment

With regards to the transgender community, in 2011 the Gender Identity Research and Education Society estimated that organisations should assume that 1% of their employees and service users may be

experiencing some degree of gender variance⁷. At some stage, about 0.2% may undergo transition. The number who have so far sought medical care is likely to be around 0.025%, and about 0.015% are likely to have undergone transition. Based on 2010 population estimates, this would equate to 1,198 residents of Cambridge that may be experiencing some degree of gender variance and that 18 residents are likely to have undergone transition. However, estimating the number of transgender people, and particularly those looking to, or who already actively engaged in, seeking medical transition, is something that is more likely to be underestimated.

Whilst no robust local data is available, informal research indicates that Cambridge is a cluster for the transgender community. For example, TGCamb, who run a social evening mostly for female-spectrum transgender people, estimate that over the last decade they have encountered around 100 trans women, many of whom still live in Cambridge. The group does not encompass the whole community, and is barely frequented by male-spectrum transgender people (e.g. trans men). Most of their attendees are male-to-female crossdressers, but they have some who are transsexual too.

LGBTQ needs assessment

In 2013 Cambridge City Council and South Cambridgeshire District Council commissioned Encompass Network to design and deliver a needs assessment looking at the experiences of lesbian, gay, bisexual trans and queer/questioning⁸ (LGBTQ) residents. The methodology for the needs assessment involved a combination of a survey (which received 130 responses) and focus groups and telephone interviews (which had a total of 38 attendees).

The needs assessment was developed to find out more about LGBTQ needs within Cambridge City and South Cambridgeshire, with a specific focus on identifying experiences of discrimination based on sexual orientation or gender identity, determining whether there were significant gaps in the provision of services for LGBTQ people, and whether

⁷ <http://www.gires.org.uk/Prevalence2011.pdf>

⁸ The final report on the LGBTQ needs assessment defines 'Queer' as an "umbrella term for sexual and gender minorities that are not heterosexual or gender-binary, or individuals who reject such notions". Non-binary is defined as "An umbrella term used to describe gender experiences, expressions and identities that fall outside of the male/female gender binary". The report defines 'Questioning' as "the process of questioning your sexual identity as a current personal definition in itself".

specific sub-groups within the LGBTQ community might be in need of additional targeted services.

During the course of 2015 we will be carrying out similar needs assessments for other protected characteristics to build our equalities evidence base, including women, men on low incomes, people with disabilities, and BAME/faith communities.

Some of the key findings from the LGBTQ needs assessment which are relevant to Cambridge City Council include:

- Overall the experiences of living in Cambridge and City and South Cambs was reported as being a positive one, with 54% of respondents rating it to be positive and 21 % very positive. Terms used to describe the area included: liberal, open minded, accepting, tolerant and multicultural.
- LGB respondents used a wide range of terms to describe their gender-identification. Rather than simply using 'heterosexual', 'homosexual', or 'bisexual' respondents also used a combination of categories to describe their sexual orientation. This reflects the diversity within the LGB community, and that there is no one single LGB identity.
- Those who are traditionally categorised as 'transgender' are using a huge variety of terms to describe their gender identification. The majority of the survey respondents described themselves as having a fluid gender identity, or more than one gender identity. This was closely followed by the high number of respondents who described themselves as having no gender identity.
- 22% of Cambridge City respondents described themselves as having a disability, with 12% of Cambridge City respondents reporting issues with mental health. A lack of positive LGBTQ role models in the media and experiences of homophobia were identified as contributing to mental ill health.
- A relatively high proportion of respondents had experienced homophobia or hate crime (40%), but the vast majority of those who had experienced hate crime said that they had not reported it (89%).
- Many LGBTQ people in Cambridge and South Cambridgeshire experience isolation, with 67 % of respondents wanting more opportunity to socialise, and 63 % saying that they knew few LGBTQ people.

- Both the survey and the focus groups identified the need for more LGBTQ events, and a specific LGBTQ space, as potential solutions to the experience of isolation. There was strong support for an LGBTQ Pride event in the City, but there was also support for incorporating LGBTQ needs in mainstream events such as the Big Weekend.

What have we already done to meet our objectives?

In the Single Equality Scheme 2012-2015 the City Council set six equalities objectives that it would focus to advance its equalities agenda. These are:

1. To continue to work to improve access to and take-up of Council services.
2. To develop an improved level of understanding of Cambridge's communities and their needs through research, data gathering and equality mapping.
3. To improve community engagement in the development and delivery of services.
4. To ensure that people from different backgrounds living in the city continue to get on well together.
5. To ensure that the City Council's employment policies and practices are non-discriminatory and compliant with equalities legislation as a minimum standard.
6. To work towards a more representative workforce within the City Council.

Over the past three years we have taken a wide range of actions to deliver these objectives. We have produced annual reports in 2012/13 and 2013/14 setting out our progress in delivering these actions⁹. Some of the key achievements are set out below under the relevant objectives.

Objective 1 - To continue to work to improve access to and take-up of Council services.

Over a period of time we have sought to mainstream equality and diversity in everything that we do. We have taken a number of steps to ensure that equality and diversity remains embedded in the work of all services:

- We have also delivered a range of training to ensure that staff are aware of their responsibilities. A series of five training sessions were held in 2013/14 to build the capacity of staff in carrying out effective Equality Impacts Assessments (EqIA). In 2014/15 the EqIA training sessions were incorporated into the Council's corporate Learning and

⁹ See the City Council website: <https://www.cambridge.gov.uk/equality-and-diversity-performance>

Development program on an ongoing basis and regular sessions are now scheduled throughout the year. An audit carried out by the Council's Internal Audit service following this training programme gave the Council's EQIAs process 'significant assurance'.

- We have also refreshed the diversity training provided as part of the staff induction, made available three e-learning modules on Equality & Diversity, and included a focus on bullying and harassment in the Managers Skills programme for all managers.
- We have published a Quick Procurement Guide which looks at how to deal effectively with equality issues in procurement projects. By doing this, we can work to ensure that the suppliers and contractors that work for us don't operate in a way which conflicts with our legal responsibilities and do provide services/supplies that meet the diverse needs of the people that use our services.

We developed a new Customer Access Strategy and action plan to help improve the experience of all our diverse customers. It sets out what standard of service customers can expect and how it will be delivered. The Council's Customer Access Centre was recognised in 2012 by the Customer Contact Association as a centre of excellence for the way it treats and responds to customers. We are currently developing a new Customer Access Strategy, which will be linked to our ICT strategy.

We have also increased the accessibility of our buildings and facilities for residents and customers – including through:

- installing upgraded hearing enhancement systems in the Corn Exchange and the large and small Guildhalls to ensure visitors with hearing difficulties get the best possible experience in our venues.
- ordering new staging for the Guildhall Stage and a wheelchair lift to ensure the stage is accessible to wheelchair users.
- installing new software at the Council's Box Office that will enable customers to print tickets at home, which will benefit those who have difficulty getting to the box office.

We developed and launched a new, more accessible City Council website. As part of the development of the website, it was tested by the Shaw Trust, a national disability charity, to ensure that it is accessible to a range of customers. We aim to ensure that all content meets recognised accessibility standards and have provided the Readspeak link on every webpage so that text can be read out loud to customers

who may have difficulty reading, including those with visual impairments or whose first language is not English. We are currently carrying out a full audit of the Council's website, including both the technical elements and content of the site, and seek external accreditation for the site.

We have sought to address the challenges faced by City Council tenants in accessing on-line services through the 'Get Online' pilot project, which provides support for tenants and leaseholders on low incomes, through loan of computers, social broadband tariffs, and signposting to computer training providers within the City.

We have taken steps to improve access to services for customers with mental health issues. The Equalities Panel considered the challenges facing people with mental health needs and the implications of this for accessing Council services. Since then we have provided training sessions for staff as part of the Council's corporate Learning and Development programme, which have focussed on providing services to customers with mental health issues. We also provide a briefing for Councillors on Mental Health Awareness, and staff across the Council recently organised a wide range of internal and external activities to mark World Mental Health Day and raise awareness of mental health issues.

Objective 2 - To develop an improved level of understanding of Cambridge's communities and their needs through research, data gathering and equality mapping.

We have carried out a range of research projects which will increase our understanding of the needs of particular equality groups in the City. We have used the findings of this research to inform the development of Council services, policies and plans. For example we have:

- Worked with Encompass to carry out research into the needs of Lesbian, Gay, Bisexual and Transgender residents;
- Sought the views of disabled residents on arts provision in the Cambridge;
- Involved tenants in the development of our Tenant Satisfaction Survey
- Analysed and disseminated information from the 2011 Census.

We have also closely monitored the impact of the Welfare Reforms. The City Council is part of the Cambridgeshire Welfare Reform Strategy Group, whose remit includes monitoring the impact of welfare reform

across the County. The Council also formed a working group of senior officers to look at the impact of the changes on Cambridge residents. The group developed strategies and policies, including a discretionary housing payment policy, to ensure that the most vulnerable were identified and protected where possible.

Objective 3 - To improve community engagement in the development and delivery of services.

We have continued to involve, consult and listen to local people and stakeholders using a wide range of methods to engage our different communities. As part of an annual review of our Code of Practice on Consultation and Community Engagement, we asked residents associations in the City and members of the Diversity Forum how we could improve the way that we consult people.

Since then we have taken a number of steps based on the feedback we received, including: producing a list of “ten top tips for running an effective consultation” and promoting this to officers across the council; providing in-depth training on consultation methods and techniques, including questionnaire design, for staff; and identifying opportunities to use the Council’s new website to improve the way we consult people.

We have actively promoted the Council’s Diversity Forum to groups representing different protected characteristics and taken issues raised in the Forum to the City Council’s Equalities Panel for consideration. For example, the Forum has focused on issues facing older people, partnership work in relation to hate crime, and sustainable food and food poverty. The next meeting of the Forum will consider children and young people’s issues.

Objective 4 - To ensure that people from different backgrounds living in the city continue to get on well together.

We have worked with a range of local partners, including community groups to support and organise events to celebrate the different communities that live in Cambridge. Over the past three years, a range of annual events were held to mark or celebrate:

- Black History Month
- Cambridgeshire Celebrates Age
- Disability History Month
- Holocaust Memorial Day

- International Day for Older People
- International Women's Day
- Lesbian Gay Bisexual and Transgender (LGBT) History Month
- Refugee Week

We have also provided an inclusive programme of arts and sports events including:

- The Big Weekend, which provides opportunities for a wide variety of groups to showcase their activities, including the Asian community through the Asian Mela, young people through performance slots (even on the main stage) and stalls for local voluntary groups.
- Other free events during the summer, including Bonfire Night, The Big Weekend and outdoor parks concerts, which are open to all residents regardless of income and had a record attendance.
- A senior citizens programme which included tea dances in the Guildhall and a trip for 700 senior citizens to Great Yarmouth and received excellent feedback from participants
- An Asian Family Community Sports event, which offered a range of community sports tournaments and activities including a netball, football, cricket, badminton and table tennis.
- A Disability Sports and Arts Festival, which included a diverse range of workshops, demonstrations, performances and film screenings.

Cambridge City Council has also played a role in hosting major international events which have brought residents in the City together. In July 2012 the Olympic Torch came to Cambridge, which drew over 80,000 people to Parkers Piece and the streets of the City. The City Council also supported the Cambridge Parasport campaign and the Paralympic Flame Relay Celebration during August 2012. In July 2014 Cambridge hosted the departure for the third stage of the Tour de France, along with a series of inclusive events and activities held between May and September as part of the associated Velo Festival.

Objective 5 - To ensure that the City Council's employment policies and practices are non-discriminatory and compliant with equalities legislation as a minimum standard.

We continued to carry out EqIAs on new and revised employment policies as a matter of course. For example, we reviewed the Council's

recruitment policy, processes and associated paperwork to ensure that appointment is based on merit. This process was informed by an EqlA.

We developed a Human Resources work programme to capture any actions that arise from EqlAs and have used this system to ensure that all actions from EqlAs were implemented.

Objective 6 - To work towards a more representative workforce within the City Council.

We have monitored the profile of the City Council's workforce, recruitment trends, and training attendance by equality group (age, gender, ethnicity, disability, religion and belief and sexual orientation where declared). We have reported this information in depth to the Equalities Panel annually through the Equality in Employment reports, which can be found on the Council's website here:

<https://www.cambridge.gov.uk/equality-and-diversity-performance>

We reviewed the Council's targets for BAME and disabled staff representation in light of 2011 Census information and set new targets which take into account the proportion of those that are economically active and the proportion of the working population that are made up of BAME and disabled residents.

Since 2008 our BAME staff representation has increased, and as at 31st March 2014, 7.44% of all staff declared themselves to be BAME (Black, Asian and Minority Ethnic). From 2013/14 onwards our target for BAME staff representation was increased to 9.5%, and we will work to bring BAME staff representation up to this level. In order to raise the workforce profile from 7.44% to the target of 9.5%, a further 24 BAME staff would need to be recruited, based on the headcount at 31 March 2014.

As at 31st March 2014, 5.07% of the Council's workforce declared themselves as disabled. The Disability Profile for the Council's workforce has risen by just over 3% over the past 6 years, from 2.0% in 2007/8. From 2013/14 onwards our target for staff declaring a disability was increased from 4.5% to 5.5%.

The Council renewed its commitment to the Job Centre Plus "Positive about Disabled People" scheme, which guarantees an interview to an applicant with a disability if they meet the minimum criteria. Having and displaying the "Two Ticks" symbol remains a Council commitment. The symbol is a recognition, which Jobcentre Plus gives to employers who

have agreed to make certain positive commitments regarding the employment, retention, training and career development of disabled people.

The Council also worked with the Papworth Trust to improve the representation of the City's workforce by increasing the number of disabled people applying for jobs with the Council. The Council has a "Work Choice" agreement with the Papworth Trust (formerly known as Workstep), which offers help and support to disabled employees.

Further activity which has helped promote equality of opportunity

In addition to the actions outlined above which has contributed to the delivery of the six objectives of the previous Single Equality Scheme, the City Council has also delivered further activities which have helped promote equality of opportunity.

We have also provided grant funding to many local voluntary and community groups carrying out equality and diversity activities. The priorities for the Community Grants programme were reviewed during 2012/13. The revised priorities included specific provision for activities which support BAME groups, people with disabilities, LGBT groups, women lacking opportunities to live safe and fulfilling lives, and activities which promote community cohesion.

In July 2014 the priorities for the Community Grants were reviewed again and focussed social and all grant applications must now demonstrate how they will reduce social and/or economic inequality for city residents, by reducing barriers for residents with the highest needs. These barriers may be caused by low income or through inequalities caused by disability, gender, ethnicity or other protected characteristics. The Council's grants teams specifically targets equalities groups with publicity, help and support.

Our Children and Young People's Participation Service (ChYpPS) delivered a comprehensive activities programme for children and young people. This included neighbourhood events and activities, a summer programme including the Urban Sports Festival and a range of activities focused upon groups of young people with particular needs; for example, a group of young girls who were showing signs of risky behaviour and a group of young people who were participating in anti-social behaviour.

We have also worked closely with the Gypsy and Traveller community over the period of the second Single Equality Scheme. The Children and Young People's Area Partnership, which the Council plays an active role in, identified children from Traveller and Migrant communities as a priority theme in its local commissioning plans.

The Council's ChYpPS service delivered lunchtime play sessions at Shirley School in Chesterton (which is attended by many Traveller children from the Fen Road site), and it has worked with the Showman's Guild to deliver open access play sessions during the Midsummer Fair. ChYpPS has also liaised closely with the Ormiston Trust (which has been commissioned by the CYP Area Partnership to work with Traveller children and families), and Cambridgeshire County Council's Traveller liaison team. We are also continuing to assess the potential for provision of new Traveller pitches through the Local Plan process, working in partnership with South Cambridgeshire District Council.

We have also supported the two Credit Unions in Cambridge to help residents on low incomes, often single parents, who can be vulnerable to loan sharks and 'pay day' lenders. We have taken a number of steps to date and are currently exploring what additional support we can provide in future. Existing measures include:

- Hosting the Credit Unions in our Customer Service Centre.
- Working with Cambridge Volunteer Centre to help the Credit Unions to recruit more volunteers.
- Giving Rainbow Savers Credit Union a 'rolling grant' so they can administer small emergency loans to those in real need.
- Promoting the Credit Unions through City Council publications such as Cambridge Matters, Open Door and Neighbourhood Newsletters.

The City Council has also responded to the national Welfare Reforms, seeking to minimise the impact on vulnerable residents. For example, the Council developed a discretionary housing payment policy which aims to assist vulnerable residents to adjust to the changes. We also developed a new local Council Tax Support Scheme to replace the national council tax benefit. The City Council scheme was designed to ensure that those people who are the least well-off continue to pay the lowest amount of council tax.

We are also working with partners to prepare for the implementation of Universal Credit, which will incorporate existing benefits into a single payment, including Housing Benefit, Job Seekers Allowance (working age and income based), Income Support, Employment & Support Allowance (income related), Child Tax Credit, and Working Tax Credits. The government's current intention is that Universal Credit will be fully available for new claimants during 2016, with the majority of the remaining Housing Benefit caseload moving to Universal Credit during 2016/17. Cambridge City Council, will play a central role in supporting vulnerable residents in the transition to Universal Credit and in supporting claimants to increase their capability and become more independent.

Our Equalities Objectives for 2015 – 2018

Having reviewed what has been achieved over the period of the previous Single Equality Scheme for 2012-2015, the City Council has revisited its equality objectives. Some of the objectives identified in the previous scheme, remain ongoing challenges for the City Council, so we have retained these objectives for our new Single Equality Scheme. For example, it is always important for us to challenge ourselves to ensure that our services are as accessible as they can be to all customers who want or need to use them. However, we have also refocused some of the objectives and identified new ones to reflect some of the new and emerging issues facing the Council and the city of Cambridge.

The City Council has identified the following five objectives which it will focus on over the next three years:

1. To further increase our understanding of the needs of Cambridge's growing and increasingly diverse communities so that we can target our services effectively
2. To continue to work to improve access to and take-up of Council services from all residents and communities
3. To ensure all residents have equal access public activities and spaces in Cambridge and are able to participate fully in the community
4. To tackle discrimination, harassment and victimisation and ensure that people from different backgrounds living in the city continue to get on well together.
5. To ensure that the City Council's employment policies and practices are non-discriminatory and to work towards a more representative workforce within the City Council.

The Strategic Action Plan below sets out the key actions that we will take to progress these objectives. These actions focus primarily on the nine protected characteristics identified in the Equality Act (Race, Disability, Gender, Gender Reassignment, Age, Sexual Orientation, Religion & Belief, Pregnancy & Maternity, Marriage and Civil Partnership).

The Council is also committed to tackling poverty and social exclusion, and is currently developing a dedicated Anti-Poverty Strategy. The Strategy includes an action plan which sets out the key steps that the

Council is taking to improve the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also to alleviate issues that can lead households on low incomes to experience financial pressures.

Single Equality Scheme 2015 – 2018 Action Plan

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
1. To further increase our understanding of the needs of Cambridge's growing and increasingly diverse communities so that we can target our services effectively	Develop an equalities evidence base to inform the planning and delivery of Council services and improve monitoring of outcomes from projects and service delivery	Use evidence gathered as part of the recent Grants Review to provide a fuller profile for who is in most need in Cambridge	Community, Arts and Recreation
		Using the approach adopted by the LGBTQ needs assessment, work with voluntary and community groups to conduct similar needs assessments for women, men on low incomes, people with disabilities, and BAME/faith communities	Community, Arts and Recreation, Corporate Strategy
		Improve information available on the housing needs of people with disabilities, through the Cambridge sub-regional Strategic Housing Market Assessment	Strategic Housing
	Use information gained through City Council consultation exercises to identify the needs of different groups and communities and inform decision making on services	Explore opportunities to adopt a more participatory approach to the City Council's annual budget consultation, including securing a representative sample of the Cambridge population	Corporate Strategy

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		Analyse the results of the 2014 STAR City Council tenant satisfaction survey to identify groups with lower levels of satisfaction with services and target improvements for them	City Homes
2. To continue to work to improve access to and take-up of Council services from all residents and communities	Ensure that we assess the equality impacts of all decisions on policies and projects which have an impact on residents, visitors and customers in Cambridge	Deliver a series of training sessions on carrying out effective Equality Impact Assessments (EqIAs) and promote them to all services as part of the City Council's corporate Learning and Development programme	Human Resources, Corporate Strategy
	Ensure that Councillors and staff understand equality and diversity principles and are able to apply these to their work	Organise an annual briefing session for Councillors on equalities issues as part of the corporate programme of member briefings	Corporate Strategy
		Ensure that all new starters understand the importance of equality and diversity, and that staff are able to further their understanding as part of their ongoing development, e.g. through the disability awareness course in the corporate learning and development programme	Human Resources

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
	Ensure that language does not act as a barrier for residents to accessing services or understanding their responsibilities	Procure a new corporate interpreting and translation contractor in collaboration with neighbouring councils and monitor the contract effectively to ensure that interpreters meet the needs of customers and Council services	Corporate Strategy
	Support residents to access digital services provided by the City Council and other organisations and businesses by enabling residents to access the internet and develop their digital skills	Work with partners to increase internet access points in community buildings, such as leisure centres and community centres	Customer Services
		Ensure that adequate training and support is provided to users of digital services by trained staff or 'Digital Champions'	Customer Services
		Continue to support City Council tenants who are unemployed or in receipt of benefits to access the internet through the Get On-Line programme, which provides digital skills training and a laptop loan scheme	City Homes
3. To ensure all residents have equal access to public activities and spaces in Cambridge and are able to participate fully in the community	Tackle barriers to accessing the city centre and playing an active part in the community for people with disabilities	Conduct a review of accessibility of Cambridge City Centre, including advertising boards and street cafes blocking pavements, poor and uneven pavements, location and availability of disabled parking bays, and particular issues facing deaf and blind people	Planning, Corporate Strategy

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		<p>Work with taxi trade representatives to develop and promote a Disabled Access policy for taxis in Cambridge, which will ensure a reliable service for customers who require wheelchair accessible taxis. The policy will address a range of identified issues including: tackling drivers who refuse to accept disabled passengers; vehicle standards; and training needs of taxi drivers on using ramps and safe accommodation of wheelchairs in taxis.</p>	<p>Refuse and Environment</p>
		<p>Ensure that the diversion of footpaths and creation of alternative routes on Parkers Piece during the redevelopment of the University Arms Hotel does not restrict access for people with disabilities, and that improvements to Parkers Piece include provision for disabled access (e.g. benches, signage and location of bins and cycle racks)</p>	<p>Streets and Open Spaces</p>
		<p>Respond to the National Accessible Britain Challenge, which aims to engage and work with disabled people to remove barriers that can prevent them being full and active contributors in their community.</p>	<p>Corporate Strategy, Planning</p>

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		Work with Citizen's Advice Bureau to develop a pilot project at East Barnwell Medical Practice to providing advice sessions, including a focus on mental health issues due to low income, debt or addiction.	Corporate Strategy
		Continue to provide move on accommodation for adults recovering from mental ill health, in conjunction with the Cambridgeshire County Council and Metropolitan Housing Group	City Homes
	Provide activities to promote physical activity and help reduce the social isolation experienced by some older people in the city	Continue to run and support groups for older people in Trumpington, Abbey, Arbury, Akeman Street Community Centre, and Ross Street Community Centre	Community, Arts and Recreation
		Continue to provide a tenure neutral city-wide support service for older people, working with health and social care services at Cambridgeshire County Council and local housing associations	City Homes
		Continue to provide targeted sports development work to complement NHS services in the community, including work to reduce falls amongst older people	Community, Arts and Recreation

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
	Provide positive activities for children and young people	Continue to provides open access activities for children and young people, including a programme of summer activities	Community, Arts and Recreation
		Provide free wimming lessons at Council-owned pools for younger children (pre-school and key stage 1 children) from low income families and children who cannot swim at the key stage 2 assessment point.	Community, Arts and Recreation
	Work with voluntary and community groups to deliver activities which promote equal opportunities for residents	Continue to provide Community Grants to projects which reduce social and/or economic inequality for city residents, by reducing barriers for residents with the highest needs. These barriers may be caused by low income or through inequalities caused by disability, gender, ethnicity or other protected characteristics	Community, Arts and Recreation
4. To tackle discrimination, harassment and victimisation and ensure that people from different backgrounds living in the city continue to get on well together.	Work with partners to support and organise a range of events to raise awareness of and to celebrate the different communities that live in Cambridge.	Continue to support and deliver a wide range of celebratory activities, including programmes of events to mark Black History Month, Cambridgeshire Celebrates Age, Disability History Month, Holocaust Memorial Day, International Women’s Day, Lesbian Gay Bisexual and Transgender (LGBT) History Month, and Refugee Week	Community, Arts and Recreation

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		Continue to fund and support local events and festivals which increase community pride and cohesion, such as the Big Weekend, Cambridge Mela, Chesterton Festival, Arbury Carnival and Cherry Hinton Festival	Community, Arts and Recreation
	Working with partners and communities to reduce racial harassment and hate crimes targeted at all equality groups	Work with Cambridgeshire County Council's Crime Research Team to use available data on hate crime to improve our understanding of the local issues.	Strategic Housing
		Provide regular outreach surgeries at Cambridge Mosque and the Addenbrookes Hub on services to address racial harassment and anti-social behaviour	Strategic Housing
	Take action to prevent radicalisation and the development of violent extremism	Deliver a 'Prevent' event which will bring community representatives together to look at the issue of radicalisation	Strategic Housing
	Work with local communities in Cambridge to reduce domestic violence and abuse	Work to achieve White Ribbon status for the City Council and reduce domestic violence and abuse towards women and men	Strategic Housing
5. To ensure that the City Council's employment policies and practices are non-discriminatory and to	Analyse available data to understand how representative the City Council workforce is and identify any issues that need to be addressed	Continue to monitor the profile of the workforce, recruitment, and training attendance by equality group and report annually to the Equalities Panel	Human Resources

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
work towards a more representative workforce within the City Council.		Analyse the results of the 2014 Employee Survey and if appropriate identify any actions to be taken in response to issues identified for particular equality groups	Human Resources
		Analyse the results of the recruitment survey into BAME community groups in Cambridge and identify any steps that need to be taken in to address issues identified in the research	Human Resources
	Work towards a more representative workforce within the City Council	Deliver an apprenticeship programme, which will increase the number of apprenticeship opportunities in City Council services	Human Resources

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To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: Simon Payne, Director of Environment
Relevant scrutiny committee: Strategy & Resources
19/01/2015
Scrutiny Committee
Wards affected: All

Key Decision

Environment Policy Statement

1. Executive summary

1.1 Effective action on environmental issues underpins the full range of strategies and policies for the City Council. The Environment Policy Statement is a single document that brings together all the commitments on effective action in one place for clarity and accountability. The report recommends approval of the Statement which sets out how the City Council will achieve its vision of a high quality and sustainable environment for the city.

2. Recommendations

The Leader and Executive Councillor for Strategy and Transformation is recommended to approve the Environment Policy Statement set out in the appendix to this report.

3. Background

3.1 Strong environmental objectives drive the strategy of the City Council and are expressed in the Vision of the Council and documents such as the Local Plan. The Council does not have a single statement that provides a concise expression of the authority's position on environmental issues. It is considered that there are benefits in the Council having such a policy when considering future priorities, developing enabling policies and when bidding for external funding.

- 3.2 In particular a policy will assist both senior members and officers to consider how environmental initiatives should be developed further, having a simple policy set down on paper and agreed will help to manage future priorities and the allocation of scarce resources.
- 3.3 This policy has been put together working on best practice from other councils and drawing on the Council's Annual Statement.

4. Implications

(a) Financial Implications

4.1 There are no additional financial implications for the City Council in approving the appended Environment Policy Statement. The existing approved capital and revenue budgets, together with the budget proposals shortly to be considered for future years, all include provision for action on environmental issues.

(b) Staffing Implications

4.2 There are no staffing implications. Actions that are linked to the Environment Policy Statement will be delivered by staff already within the establishment of the City Council.

(c) Equality and Poverty Implications

4.3 An Equality Impact Assessment has been completed and is attached at Appendix B.

(d) Environmental Implications

4.4 The Environment Policy Statement will increase awareness of environmental issues both within and outside the City Council and will complement policies and implementation proposals on environmental issues. The Statement will therefore have a high positive climate change rating of +H.

(e) Procurement

4.5 There are no additional procurement implications beyond existing commitments to environmental sustainability.

(f) Consultation and communication

4.6 It is proposed that the approved Environment Policy Statement is widely communicated, initially through a press release, and

subsequently through internal communications and also linked to external communications for instance on the website, Cambridge Matters, through social media, in tender documents, and staff recruitment material.

(g) Community Safety

4.7 There are no community safety implications at this stage.

5. Background Papers

5.1 There are no background papers for this report.

6. Appendices

Appendix A Draft Environment Policy Statement
Appendix B Equality Impact Assessment

7. Inspection of papers

If you have a query on the report please contact:

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CAMBRIDGE CITY COUNCIL

ENVIRONMENT POLICY STATEMENT

Cambridge City Council has a vision statement for Cambridge that cares for our environment. The Council is committed to deliver the vision by promoting a high quality and sustainable environment.

The Council has a community leadership role and will deliver its vision through its own activities, the services it provides and partnership working.

The following action will be taken:

- **The use of water, energy and carbon dioxide emissions and other greenhouse gases, directly linked to our activities, will be reduced.** This will include reducing our reliance on fossil fuels and increasing the proportion of energy coming from low and zero carbon technologies;
- **Waste to landfill will be reduced** by increasing recycling rates for the City Council and Cambridge;
- **The environmental impact of transport and travel will be reduced** through our work with the County Council, businesses and others and we will promote and plan for sustainable modes of transport that reduce environmental impacts;
- **Water use will be monitored effectively and we will reduce water wastage and increase water reuse wherever possible;**
- **The environmental quality, resilience and performance of our buildings and assets will be improved.** We will work with partners to promote and facilitate improvements to the environmental performance of buildings and the wider landscape and public realm across the city;
- **The environmental quality, resilience and biodiversity of our land, water bodies and landscapes across our city will be protected, enhanced and maintained** where possible;
- **The elderly, vulnerable and those facing hardship will be protected from the wider effects of our changing climate**, and this will include the impact from fuel and water poverty.
- **Targets will be set, progress reviewed and we will publish information regularly, where appropriate** (without duplicating existing reporting processes);
- **Appropriate training, instruction, and supervision to all our employees will be provided** such that they are able to perform their duties in a way supports our environment policy and objectives;
- **This policy statement will be reviewed periodically**, and not later than 2017
- **This policy will be communicated to everyone working for or on behalf of Cambridge City Council.**

Cambridge City Council expects all staff and all residents to protect the environment and take personal responsibility for their actions. The Council will work with partners and community organisations to help residents, businesses and others understand how to protect, maintain and develop the environmental quality of the city.

The Council will use its statutory planning and regulatory powers appropriately to achieve and set high standards of environmental quality in the built and natural environment and in the behaviour of organisations, businesses, residents and communities. It will promote the outcomes listed above to its partners and to other organisations in the city, including through its contracting and commissioning activities, where appropriate.

The Council will use its powers to take action where necessary against those who cause harm or detriment to the environmental quality of the city.

We will set out detailed actions to further the policy goals set out in this statement in our service operational plans.

Signed:

Antoinette Jackson
Chief Executive

Councillor George Owers
Executive Councillor

Councillor Lewis Herbert
Leader

Dated: X Y 2014

Cambridge City Council Equality Impact Assessment

Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.



The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on your own knowledge and experience. There are guidance notes on the intranet to help you. You can also get advice from Suzanne Goff, Strategy Officer on 01223 451174 or email suzanne.goff@cambridge.gov.uk or from any member of the Joint Equalities Group.

1. Title of strategy, policy, plan, project, contract or major change to your service:

Environment Policy Statement

2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

The Environment Policy Statement is a high level document summarising the Council's environmental priorities and objectives. It is felt to be important as a way of clarifying the Council's environmental policies with the advent of a new administration, but also because it can be a requirement when our services are tendering for contracts.

https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/HECA-Report-2013-FINAL_1.pdf

<https://www.cambridge.gov.uk/climate-change>

3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

Residents

Visitors

Staff

A specific client group or groups (please state):

4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

New

Revised

Existing

5. Responsible directorate and service

Directorate: Environment

Service: Director of Environment

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

Yes (please give details):

All services

7. Potential impact

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

When answering this question, please think about:

- The results of relevant consultation that you or others have completed (for example with residents, people that work in or visit Cambridge, service users, staff or partner organisations).
- Complaints information.
- Performance information.
- Information about people using your service (for example whether people from certain equalities groups use the service more or less than others).
- Inspection results.
- Comparisons with other organisations.
- The implementation of your piece of work (don't just assess what you think the impact will be after you have completed your work, but also think about what steps you might have to take to make sure that the implementation of your work does not negatively impact on people from a particular equality group).
- The relevant premises involved.
- Your communications.
- National research (local information is not always available, particularly for some equalities groups, so use national research to provide evidence for your conclusions).

(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)

Reduce the use of water, energy and carbon dioxide emissions and other greenhouse gases directly linked to our activities, including by reducing our reliance on fossil fuels and increasing the proportion of energy coming from low and zero carbon technologies; Reducing air pollutants has a generally positive effects. Benefits could be particularly pronounced for young, old and disabled residents who tend to suffer disproportionately from respiratory illnesses (such as asthma)

Reduce waste to landfill by increasing recycling rates for the City Council and Cambridge;

A positive impact might be that an opportunity to learn from the experiences of some equality groups in society. For example, older people, who are likely to have lived through periods of war/rationing may have a range of ideas about minimising energy use and leading lower carbon lifestyle.

Work with the County Council, businesses and others to reduce the environmental impact of transport and travel, and promote and plan for sustainable modes of transport that reduce environmental impacts;

Some concerns might be raised about any policies or practices restricting parking spaces or encouraging car free developments in the City due to potentially negative impacts for people with disabilities and older drivers/passengers who are more reliant on the availability and accessibility of parking due to mobility problems. It could be argued that such an approach puts pressure on the most vulnerable sections of society. Whilst some disabled residents will have blue badge permits, many older people and those temporarily disabled will not. Any potential policies of restricting parking in urban areas, therefore, could have a disproportionate effect. Families could experience similar difficulties with young children. A particular issue sometimes raised by older and people with disabilities is how they can be treated on public transport. Sometimes there are problems with bus drivers - not always pulling into the kerb or moving away sharply before people have been able to take their seats. This does not give people confidence in using bus services. There could also be an issue with reliability of buses as people can be unsure of when the bus will actually arrive. This can cause difficulties for older people or those with a disability and may cause a negative impact.

Improve the environmental quality, resilience and performance of our buildings and assets, and work with partners to promote and facilitate improvements to the environmental performance of buildings and the wider landscape and public realm across the city;

Social Housing generally has a very good track record with energy efficiency and so any further work to Council housing stock or buildings could have a very positive effect for older tenants on a fixed income as this could help reduce energy costs.

Protect, enhance and increase the environmental quality, resilience and biodiversity of our land, water bodies and landscapes across our city, where possible;

Young people stand to gain the most benefit from the actions proposed within the policy. There is a potential positive benefit in making sure that young people are engaged and consulted with about Council activities related to this policy.

Protect the elderly, vulnerable and those facing hardship including from fuel and water poverty and the wider effects of our changing climate.

This should have a very positive effect on the elderly and other vulnerable groups, which could include the very young. Older and younger people are more vulnerable to climate change impacts – particularly in terms of health. Extreme heat or cold could have both a positive and negative impact. More information in Section 9 of this EqIA.

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

Reduce the use of water, energy and carbon dioxide emissions and other greenhouse gases directly linked to our activities, including by reducing our reliance on fossil fuels and increasing the proportion of energy coming from low and zero carbon technologies;

Reducing air pollutants would have a positive effect. Benefits could be particularly pronounced for young, old and disabled residents who tend to suffer disproportionately from respiratory illnesses (such as asthma)

Reduce waste to landfill by increasing recycling rates for the City Council and Cambridge;

The actual ability to recycle is far from equal. There are some equality groups, for example, that suffer mobility or physical problems, which can prohibit people from participating fully in recycling activities, especially if doorstep recycling is not offered at their residence. Older and disabled people, for example, do not find it easy to carry the recycling box provided. This is also relevant depending on peoples housing provision – housing schemes for older people or flats may have physical barrier to people recycling such as large bins or no lift.

Work with the County Council, businesses and others to reduce the environmental impact of transport and travel, and promote and plan for sustainable modes of transport that reduce environmental impacts;

The policy and implementation will have relevance to the disability equality strand due to different patterns of car ownership and different concerns over accessibility of public transport. This could have both a positive and a negative effect.

Protect the elderly, vulnerable and those facing hardship including from fuel and water poverty and the wider effects of our changing climate. This should have a positive effect.

Communicate this policy to everyone working for or on behalf of Cambridge City Council.

Environmental information for example, public transport information or waste collection information should be communicated in a way that is accessible and relevant. The information should be potentially available in different languages and formats. There may be a need to tailor material specifically for different groups as part of any communication campaigns

(c) Gender

There are particular issues linked to climate change and women:

Some examples:

Work with the County Council, businesses and others to reduce the environmental impact of transport and travel, and promote and plan for sustainable modes of transport that reduce environmental impacts;

Women have different patterns of car ownership, different concerns over accessibility of public transport and different abilities to walk and cycle as an alternative mode of transport.

More information can be found here:

<http://www.wen.org.uk/wp-content/uploads/wen-briefing-net1.pdf>

<http://www.wen.org.uk/wp-content/uploads/Gender-and-the-climate-change-agenda-21.pdf>

(d) Pregnancy and maternity

Also see Gender (c)

(e) Transgender (including gender re-assignment)

No strong direct impacts assessed yet.

There could be future impacts around how people would feel about using public transport and concerns around personal safety – See the recent LGB&T report for information. <http://encompassnetwork.org.uk/uploads/LGBTQ-Needs-Assesmentabsolutelyfinal.pdf>

(f) Marriage and Civil Partnership

No strong direct impacts assessed yet.

(g) Race or Ethnicity

Reduce waste to landfill by increasing recycling rates for the City Council and Cambridge;

Cambridge City has a large proportion of non-UK visitors and a high turn over of residents in some areas of the City. So there is a potential for people to be less likely to understand recycling communications, waste options and practices. There could be an opportunity to learn from different ethnic groups who may be able to draw on their heritage and customs, sharing lessons about relying on less energy in domestic situations. Other communities that could be worth consulting include the gypsy and travelling community.

Work with the County Council, businesses and others to reduce the environmental impact of transport and travel, and promote and plan for sustainable modes of transport that reduce environmental impacts;

Reduction of emissions - Whilst the outcome of reduced emissions is viewed as broadly positive, the different mechanisms by which this can be achieved are not always universally appealing. It is possible that penalising higher emission vehicles would be likely to hit large families harder, and therefore could have a disproportionately adverse impact on some faith/ethnic minority groups who may traditionally have larger families.

Communicate this policy to everyone working for or on behalf of Cambridge City Council.

Environmental information for example, public transport information or waste collection information should be communicated in a way that is accessible and relevant. The information should be potentially available in different languages and formats. There may be a need to tailor material specifically for different groups as part of the communication campaigns. Translation of recycling information into key languages spoken in the City and, particularly, the use of images and pictures to better highlight recycling procedures are both measures could make a difference in maximising the equality of recycling opportunities. Consistent symbols are considered very effective in breaking down barriers and making information more decipherable.

(h) Religion or Belief

No strong direct impacts assessed.

(i) Sexual Orientation

No strong direct impacts assessed.

There could be future impacts around how people would feel about using public transport and concerns around personal safety – See the recent LGB&T report for information. <http://encompassnetwork.org.uk/uploads/LGBTQ-Needs-Assesmentabsolutelyfinal.pdf>

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

Climate change could affect:

- Access to affordable insurance especially in areas vulnerable to flooding
- Emergency planning - flooded areas can cause difficulties for people with mobility difficulties
- In the case of an extreme weather event, vulnerable households may be less able to cope with natural disasters – having access to less resources or money or information.
- Fuel Poverty and numbers of winter deaths - Certain categories of people have been identified via research as being at greater risk of fuel poverty: Older people on low incomes, lone parents (especially those on low incomes), people with disabilities, the chronically sick, unemployed people (especially those under 25 years old and those who are long term unemployed. See HECA reports.
- Lack of access to good energy deals - if there is no or limited access to the Internet or a computer.
- Migration - as people move to more environmental secure areas – poorer household less able to do this. For example large areas of Fenland and East Cambs vulnerable to flooding – this may cause pressure on future resources for the surrounding Districts.
- Transport infrastructure – often used by lower income groups – more vulnerable to disruptions.
- Food security – cost of food set to increase and uneven distribution patterns could create areas in the UK where there could be food scarcity or people might need to rely more on self-production or pay higher food prices
- Cost of energy set to rise and fossil fuel predicted to run out around 2030
- Infectious diseases – likely to be an increase, as UK gets warmer and damper.
- Health implications – of experiencing extreme hot or cold weather and rise of communicable diseases. + Asthma (Air quality issues).
- Renewables offer a very positive social and environmental impact – particularly community energy schemes, which offer cheaper energy costs for householders or community ownership.
- Environmental justice on a local and global scale – those with the least feel the impacts of climate change the quickest and may be able to do less to change their situations.
- Carbon Cutting could be more successful with lower income groups – no car for example means a lower carbon footprint.
- Economic Impacts – “The Stern Review’s main conclusion is that the benefits of strong, early action on climate change far outweigh the costs of not acting. The Review points to the potential impacts of climate change on water resources, food production, health, and the environment’ According to the Review, without action, the overall costs of climate change will be equivalent to losing at least 5% of global gross domestic product (GDP) each year, now and forever. Including a wider range of risks and impacts could increase this to 20% of GDP or more, also indefinitely. Stern believes that 5–6 degrees of temperature increase is "a real possibility." http://en.wikipedia.org/wiki/Stern_Review
- Hotter summers - up to 6°C average. Climate affecting local food production - drier summers - up to 60% less rain. Greater demand on health services.
- Housing: Refurbishment of Existing Stock. Renewable Technology. New Build - Current buildings and roads and other infrastructures may not be able to cope with variations in temperatures.
- Transport: Infrastructure and utilities unable to adapt quickly enough. Disrupted supply chains. Not able to get to work/ school. Roads/ infrastructure not able to cope with variations in climate –e.g. flooding and heat. More extreme weather- heat waves, storms, floods.
- Community Safety: Civil Emergencies. People more vulnerable and sensitive to socio/ economic variations. Civil unrest following emergencies – Yorkshire and Gloucester Floods. Security of Energy Supply.
- Business: Flooding and insurance. Warmer, wetter winters-up to 30% more rain. Tourism Impacts. Economic disruption (Stern Report).
- Community: More reliance on Third Sector and public sector services.
- Parks and open spaces challenged by less water, more heat.
- Children and Young People: School Design. Participation in saying what should be done. Their future problem.
- Potential for really positive work in communities: There is a case study in Barcelona whereby on specific days throughout the year any items unwanted by their owners are left outdoors for others to take and use. It was identified that this could have benefits for young people due to the sense of fun involved in the event. There are potential benefits for older people, some ethnic groups with large families and any other residents who experience occasional or frequent financial problems. It would also be extremely positive for community cohesion if developed into a community event. <http://www.barcelona-metropolitan.com/features/barcelona-dia-de-trastos-vells/>
- There could be a number of public transport-related safety concerns amongst certain equality groups. Women, both young and old people, the lesbian, gay and bi-sexual community and some racial groups might find this more of an issue. Older people, in particular, may find large groups of school children intimidating and can be unwilling to use bus services during school commuting hours. Travelling by public transport is expensive for large families. Some faith and race groups may traditionally have bigger family groups and, therefore, may not benefit from choosing public transport as their mode of travel
- Whilst not a specific consideration of this EqlA, any penalties relating to transport and carbon emissions could also be socially divisive, hitting poorer families who are more likely to have older, less efficient and more polluting cars. It is worth noting that some equality groups, particularly old, disabled people, lone parents (mostly women) and some ethnic minority groups tend to comprise a fair percentage of the less affluent members of the community and could, therefore, suffer as a result.
- Recouping energy savings is likely to be over the medium/long-term and, therefore may be of little benefit to older people or represent a poor return on investment.
- The Council is not always a trusted face for equality groups - so effort should be put into engaging and consulting with community and voluntary sector groups about the vision and values of this policy.
- All of the above may affect low income groups disproportionately. The objectives of this policy, therefore, should have a strong positive impact on people in low income groups.

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

This article was written by Naomi Hicks and Dr Nicola Ranger at the [Grantham Research Institute on Climate Change and the Environment](#) at the London School of Economics and summarise the key aspects of Climate Change Impacts and is a useful starting place for looking at climate change issues.

Temperatures in the UK have risen by about one degree since the 1970s and, given the levels of greenhouse gas already in the atmosphere, further warming is inevitable over the next three decades or so. The amount of warming will depend on future emissions but even if emissions are cut quickly and sharply to avoid dangerous levels of climate change, there will be some unavoidable impacts that the UK will have to adapt to.

The government's latest [climate change risk assessment](#) identifies flood risk, and particularly [flooding from heavy downpours](#), as one of the key climate threats for the UK, alongside stresses on water resources, threats to biodiversity and natural habitats, and the repercussions for the UK from climate change impacts abroad.

Computer models that simulate the climate suggest that, as a result of warming, extremely wet winters could become [up to five times more likely](#) over the next 100 years, with more intense downpours in the winter months driving a greater risk of flash floods and river flooding, alongside [risks from sea-level rise](#). Extreme flood events such as those in the summer of 2007 could become more frequent and severe, putting homes, businesses and infrastructure at greater risk.

The government estimates that annual damages from flooding alone could increase to [between £2bn and £12bn by the 2080s](#), an increase of about two to 10 times compared with current-day estimates. Critical infrastructure, including water-pumping stations, water treatment works, transport and electricity systems, and schools and hospitals sited in flood-risk areas could also be threatened, while heavy rainfall events could increase the risk of water contamination should sewers overflow. Current government estimates suggest about [330,000 properties are currently at risk of flooding](#), and [climate change could increase this to between 630,000 and 1.2m by the 2080s](#).

Conversely, the models suggest that the UK could experience [warmer, drier summers](#) in the future. While that may bring some benefits, it could mean increased risk of drought, and extreme events such as the [2003 heat wave](#) could be the norm by the end of this century. Heat waves could also [heighten pressure on healthcare services](#), because older populations are more vulnerable to extreme heat, and impact on transport, as higher summer temperatures bring the threat of rail buckling and associated travel delays.

The UK could also face threats to its [water security and supply](#). Declining summer river flows, reduced groundwater replenishment and increased evaporation could all contribute to water loss, which could result in water shortages and restrictions on usage. The government estimates that [27-59 million people](#) could be living in areas affected by water supply deficits by the 2050s, even before considering increasing populations and rising water demand.

Ecosystems are also highly vulnerable to climate change, which can aggravate existing stress factors such as pollution, land conversion and invasive non-native species. While some species could benefit from climate change, far more are set to lose out, according to the [latest government estimates](#).

The UK may see changing patterns of wildlife and plants as species try to adapt by moving northwards, or have to compete with new non-native species. Habitats may come under increasing pressure – from salt marsh threatened by sea-level rise to beech woodland susceptible to summer droughts. Species could also experience reduced food supply if earlier breeding periods are at odds with the food available at the time.

None of the model predictions are certain. There is a lot that science does not yet know, and wider [social and economic trends](#) will also affect the UK's vulnerability to the effects of climate change. These range from an ageing population – with [greater vulnerability to extreme heat](#) – to population growth and increasing household and industry demand for water, which is expected to be [5% higher by 2020 compared with today](#). With 13% of new homes built since 2000 constructed on floodplains (that's about 10,000–16,000 new homes a year), planning decisions are another factor that can worsen the UK's existing vulnerabilities.

Recent reports by the [UK Government Foresight](#) programme and [PWC](#) suggest that the impacts of climate change outside the UK could have a larger effect on the British economy than the impacts felt within the country. If, for example, climate impacts led to international instability or reductions in the supply raw materials or commodities, the UK could experience effects ranging from [increased food price volatility](#) (if crop patterns change globally) to changing migration patterns as [environmental refugees](#) move from areas affected by extreme weather events.

Nevertheless, the UK could see some gains from climate change. While summer deaths could increase given the predicted increase in hot days and heat waves, the country could see a [fall in the number of cold-related deaths](#) – estimated to be in the region of [3,900 to 24,000 premature cold deaths avoided each year by 2050](#). Providing water is available in sufficient supply, the UK could also see new crop types, or increased yields of crops such as wheat or sugar beet. For some areas of the UK, climate change could also offer wider opportunities for [tourism](#). And for wildlife warmer temperatures could increase survival rates for offspring born in winter.

As with climate predictions, there are still many uncertainties over the extent and distribution of climate impacts. Model predictions are based on a number of [assumptions](#) about factors ranging from future rates of warming and economic growth to the technological and social achievability of different levels of emissions cuts. Regional impacts are particularly difficult to predict, though some work has been done to map the risks in different areas of the UK. For example, see [this map](#) (p329).

Climate policy to cut global greenhouse gas emissions could have a [tangible effect](#) on future climate impacts, not only offering governments a way to avoid the most extreme impacts, but also providing them with more time to [prepare and adapt](#) to those that are unavoidable

2. Conclusions and Next Steps

- a. If you have not identified any negative impacts, please sign off this form.
- b. If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- c. If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to Suzanne Goff, Strategy Officer, who will arrange for it to be published on the City Council's website.

Email suzanne.goff@cambridge.gov.uk

3. Sign off

Name and job title of assessment lead officer: Andrew Limb, Head of Corporate Strategy

Names and job titles of other assessment team members and people consulted:
Suzanne Goff, Strategy Officer

Date of completion: 19 December 2014

Date of next review of the assessment: September 2017

Action Plan

Equality Impact Assessment title: Corporate Environment Policy Statement

Date of completion: 19th December 2014

Equality Group	Age
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact on older people and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Disability
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact on people with disabilities and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Gender
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact on particular issues related to gender and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Transgender
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015

Other factors that may lead to inequality	
Details of possible disadvantage or negative impact	Council activities in relation to this policy may have an adverse impact and a few activities will also have a positive effect.
Action to be taken to address the disadvantage or negative impact	Regular reviews as projects come forward and individual actions are detailed in the bid EqIA.
Officer responsible for progressing the action	Individual officers will monitor the potential impacts of their work and prepare where relevant, with corresponding EqIAs
Date action to be completed by	December 2015



To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: Head of Legal Services/ Monitoring Officer
Relevant scrutiny committee: Strategy & Resources 9/1/2015
Scrutiny Committee
Wards affected: All

REVIEW OF USE OF THE REGULATION OF INVESTIGATORY POWERS ACT
Not a Key Decision

1. Executive summary

- 1.1 A Code of Practice introduced in April 2010 recommends that councillors should review their authority's use of the Regulation of Investigatory Powers Act 2000 (RIPA) and set its general surveillance policy at least once a year. The Executive Councillor for Community Development and Health and Community Services Scrutiny Committee last considered these matters on 20 January 2014.
- 1.2 The City Council has not used surveillance or other investigatory powers regulated by RIPA since February 2010.
- 1.3 This report sets out the Council's use of RIPA and the present surveillance policy.

2. Recommendations

The Executive Councillor and Scrutiny Committee are recommended:

- 2.1 To review the Council's use of RIPA set out in paragraph 5.1 of this report.
- 2.2 To note and endorse the steps described in paragraph 5.1 and in Appendix 1 to ensure that surveillance is only authorised in accordance with RIPA.

The Executive Councillor is recommended:

To approve the amended general surveillance policy in Appendix 1 to this report.

3. Background

3.1 The Regulation of Investigatory Powers Act imposes controls on the circumstances in which public bodies can use covert investigative methods in connection with their statutory functions. Local authorities may only use these methods for the purpose of preventing or detecting crime or of preventing disorder.

3.2 These are the activities that are regulated by RIPA:

a) Covert directed surveillance

Surveillance is “covert” if it is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place. It is “directed” if it is undertaken for the purposes of a specific investigation or operation in such a manner as is likely to result in the obtaining of private information about a person. Surveillance is not directed if it is an immediate response to events or circumstances; for instance if a police officer sees someone acting suspiciously and decides to follow them. The Council uses covert directed surveillance very sparingly – and has not used it at all in the period covered by this report.

b) Covert human intelligence source (“CHIS”)

A covert human intelligence source is someone who establishes or maintains a relationship with a person for the purpose of covertly obtaining or disclosing information. In practice, this is likely to cover the use of an informer or Council officer to strike up a relationship with someone as part of an investigation to obtain information “under cover”. The Council has never authorised the use of a “covert human intelligence source” under RIPA.

c) Access to Communications Data

There are stringent controls placed on access by the Council to “communications data”. The Council is not entitled to obtain access to the content of communications between third parties but can, in some circumstances, obtain information relating to the use of a communications service. “Communications services” include telecom

providers, postal services and internet service providers. The Council has never authorised access to communications data under RIPA.

- 3.3 More detail of the nature of the scope of RIPA and controls and procedures are set out in the general surveillance policy in Appendix 1.

4. Member Supervision of the Use of RIPA

- 4.1 A Home Office Code of Practice provides for a wider supervisory role for councillors. The code states that, at least once a year, councillors should review the Council's use of RIPA and set the general surveillance policy. This report gives members this opportunity.
- 4.2 Councillors should also consider internal reports on the use of RIPA at least on a quarterly basis to ensure that it is being used consistently as per the council's policy and that the policy remains fit for purpose. The Code emphasises that councillors should not be involved in making decisions on specific authorisations. In fact, since the Code of Practice came into effect, the Council has not used RIPA powers, so there has been no occasion to issue a report.

5. The Council's Use of RIPA

- 5.1 The City Council is very sparing in its use of RIPA powers. In fact, it has not authorised the use of RIPA powers in the period covered by this report (January 2013 to January 2014) and not used these powers since February 2010.
- 5.2 As mentioned in Section 3, the Council has never used RIPA powers to authorise the use of "confidential human intelligence sources" or the powers relating to the obtaining of communication data.
- 5.3 When members previously reviewed the Council's use of RIPA, they asked for information about surveillance etc. carried out by the Council under an authorisation given by a third party. This might arise where an investigation is being led by another agency (e.g. Police or HMRC) and the Council is asked to assist. There have been no instances of this since the date of the last report.

6. The Protection of Freedoms Act 2012

- 6.1 From 1 November 2012, all local authority surveillance authorised under the Regulation of Investigatory Powers Act 2000 (RIPA) has been subject to approval by a Magistrate.

6.2 Approval can only be given if the Magistrate is satisfied that:

(a) There were reasonable grounds for the authorising officer approving the application to believe that the Directed Surveillance or deployment of a Covert Human Intelligence Source (CHIS) was necessary and proportionate and that there remain reasonable grounds for believing so.

(b) The authorising officer was of the correct seniority within the organisation i.e. a Director, Head of Service, Service Manager or equivalent.

(c) The granting of the authorisation was for the prescribed purpose, which is preventing or detecting crime or disorder and, in the case of directed surveillance, is confined to cases where the offence under investigation carries a custodial sentence of six months or more.

6.3 There are also additional safeguards in relation to the use of a CHIS. (As mentioned in paragraph 3.2, The Council has never authorised the use of a “covert human intelligence source” under RIPA.)

7. The Council’s Surveillance Policy

7.1 The Council’s surveillance policy is set out at Appendix 1. It sets out the tests to apply in determining whether the use of RIPA powers is necessary and proportionate.

7.2 The Council’s surveillance policy needs to be updated to take account of the development of social media and the potential for infringing privacy through accessing this in the course of investigations.

7.3 The most recent annual report of the Chief Surveillance Commissioner draws attention to this. The report says:

“This is now a deeply embedded means of communication between people and one that public authorities can exploit for investigative purposes. I am reasonably satisfied that there is now a heightened awareness of the use of the tactic and the advisable authorisations under RIPA that should be considered. Although there remains a significant debate as to how anything made publicly available in this medium can be considered private, my Commissioners remain of the view that the repeat viewing of individual “open source” sites for the purpose of intelligence gathering and data collation should be considered within the context of the protection that RIPA affords to such activity.”

7.4 A very recent revised version of the Home Office's Code of Practice on Covert Surveillance and Property Interference came into force on 10 December 2014. This also gives guidance. It says:

"The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Whenever a public authority intends to use the internet as part of an investigation, they must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights, including the effect of any collateral intrusion. Any activity likely to interfere with an individual's Article 8 rights should only be used when necessary and proportionate to meet the objectives of a specific case. Where it is considered that private information is likely to be obtained, an authorisation (combined or separate) must be sought as set out elsewhere in this Code. Where an investigator may need to communicate covertly online, for example contacting individuals using social media websites, a CHIS authorisation should be considered."

7.5 The Council's RIPA Code of Practice has been amended to address this issue. Where individuals publish information freely (e.g. twitter accounts, LinkedIn profiles), there is unlikely to be any interference with privacy rights or any RIPA issues. This is also likely to be the case with other information published openly on the Internet. Care should, however, be taken with other social media, such as Facebook. Even if the user has not used privacy settings to restrict access, this does not necessarily mean that they have made a decision to publish personal information to the world. It is likely to be proportionate, in connection with an investigation to make a single visit to an unsecured Facebook profile. Further visits could amount to surveillance and may require authorisation

7.6 The Head of Legal Services has alerted directors and service heads to this issue. The only instance in which officers look at information on social media is in relation to criminal investigations conducted by the fraud prevention team. This is confined to viewing a published profile once and repeat visits are not made. The Head of Legal Services regards this as proportionate, given the importance of investigating fraud, and as not requiring RIPA authorisation.

7.7 In addition to the new text on social media, the amendments include a section drawing specific attention to the steps that need to be taken in relation to surveillance not covered by RIPA, as well as some updating.

- 7.8 The Executive Councillor is asked to endorse the policy incorporating the proposed amendments

8. Implications

- a) **Financial Implications** - None
- (b) **Staffing Implications** - None
- (c) **Equality and Poverty Implications**

A formal equality impact assessment has not been carried out in preparing this report. Equality impact issues are addressed, and safeguards contained, within the body of the general surveillance policy which the Executive Councillor is being asked to endorse. Paragraph 9.5 of the policy highlights the need to consider equality issues as part of considering whether to use RIPA powers. Paragraph 9.7 highlights the special care needed if surveillance might involve obtaining access to religious material. The Head of Legal Services receives copies of all authorisations and takes an overview of the use of RIPA. The member supervision outlined in section 4 of this report would also help ensure that the policy is being applied properly.

- (d) **Environmental Implications**

The proposals in this report have a “nil” climate change impact.

- (e) **Procurement** - None
- (f) **Consultation and communication**

The RIPA general surveillance policy is based on legal requirements and the guidance contained in Home Office codes of practice and there has been no external consultation on this.

- (g) **Community Safety**

Although the Council’s use of RIPA has been very sparing, there have been, and will be, occasions on which the use of the powers are justified and necessary to ensure community safety.

9. Background papers

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

Report to the Leader and Strategy and Resources Scrutiny Committee:
Review Of Use Of The Regulation Of Investigatory Powers Act (20 January
2014)

ANNUAL REPORT of the Chief Surveillance Commissioner to the Prime Minister and to the Scottish Ministers for 2013-2014. This is a published source available at <https://osc.independent.gov.uk/wp-content/uploads/2014/09/Annual-Report-of-the-Chief-Surveillance-Commissioner-for-2013-2014-laid-4-September-2014.pdf>

6. Appendix

City Council RIPA Procedure Guide with proposed amendments.

7. Inspection of papers

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

Author's Name:	Simon Pugh
Author's Phone Number:	01223 - 457401
Author's Email:	simon.pugh@cambridge.gov.uk

Appendix 1 - Cambridge City Council

The Regulation of Investigatory Powers Act 2000: A procedure guide on the use of covert surveillance and “covert human intelligence sources”

Statement of Intent: Cambridge City Council attaches a high value to the privacy of citizens. It will adhere to the letter and to the spirit of the Act and will comply with this Code.

1. Introduction

- 1.1 The Regulation of Investigatory Powers Act 2000 (“RIPA”) is designed to ensure that public bodies respect the privacy of members of the public when carrying out investigations, and that privacy is only interfered with where the law permits and there is a clear public interest justification.

2. What does RIPA do?

- 2.1 RIPA places controls on the use of certain methods of investigation. In particular, it regulates the use of surveillance and “covert human intelligence sources”. This guide covers these aspects of the Act. Further guidance will be issued on other aspects of the Act if necessary.
- 2.2 RIPA’s main implications for the Council are in respect of covert surveillance by Council officers and the use of “covert human intelligence sources”. (A covert human intelligence source is someone who uses a relationship with a third party in a secretive manner to obtain or give information – for instance an informer or someone working “under cover”.)

3. Some definitions

“Article 8 Rights

This refers to the rights of individuals under the European Convention on Human Rights:

“Everyone has the right to respect for his private and family life, his home and his correspondence.

“There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.”

The Council must not infringe these rights unless they are acting in accordance with the law for one of the purposes mentioned in the

second paragraph. Even then, any infringement of this right needs to be proportionate. (See paragraph 9.4.)

3.1 *“Covert”*

Concealed, done secretly

3.2 *“Covert surveillance”*

Surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place;

3.3 *“Directed surveillance”*

Directed surveillance is defined in RIPA as surveillance which is covert, but not intrusive, and undertaken:

- a) for the purposes of a specific investigation or operation;
- b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
- c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of the surveillance (i.e. where the circumstances make it impractical to seek authorisation. An example might be where a police officer on patrol sees a person acting suspiciously and decides to watch them surreptitiously to see whether they are intending to commit a crime.)

Private information in relation to a person includes any information relating to his private or family life.

3.4 *“Intrusive surveillance”*

Intrusive surveillance is defined in section 26(3) of the 2000 Act as covert surveillance that:

- a. is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
- b. involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

4. RIPA and Surveillance – what is not covered

- 4.1 General observation forms part of the duties of some Council officers. They may, for instance, be on duty at events in the City and will monitor the crowd to maintain public safety and prevent disorder. Environmental Health Officers might covertly observe and then visit a shop as part of their enforcement function. Such observation may involve the use of equipment merely to reinforce normal sensory

perception, such as binoculars, or the use of cameras, where this does not involve systematic surveillance of an individual. It forms a part of the everyday functions of law enforcement or other public bodies. This low-level activity will not usually be regulated under the provisions of RIPA.

- 4.2 Neither do the provisions of the Act cover the use of overt CCTV surveillance systems. Members of the public are aware that such systems are in use, for their own protection, and to prevent crime. (There is a separate Code of Practice adopted by the Council to govern use of CCTV. For information about this, contact Martin Beaumont, CCTV Manager.)

5. RIPA and Surveillance – What is covered?

- 5.1 The Act is designed to regulate the use of “covert” surveillance. Covert surveillance means surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place. Strictly speaking, only two types of covert surveillance are regulated by RIPA – “directed” and “intrusive” surveillance. However, where the purpose of a surveillance operation is to obtain private information about a person, the authorisation procedures set out in this guide should be followed and the surveillance treated as being “directed”.

6. What is “directed surveillance”?

6.1 Directed surveillance is defined in RIPA as surveillance which is covert, but not intrusive, and undertaken:

- a) for the purposes of a specific investigation or operation;
- b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
- c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of the surveillance. (See the clarification of this in paragraph 3.3.)

Private information in relation to a person includes any information relating to his private or family life.

- 6.2 Directed surveillance is conducted where it involves the observation of a person or persons with the intention of gathering private information to produce a detailed picture of a person’s life, activities and associations. However, it does not include covert surveillance carried out by way of an immediate response to events or circumstances which, by their very nature, could not have been foreseen. For example, a plain clothes police officer would not require an authorisation to conceal himself and observe a suspicious person who he comes across in the course of a patrol.

- 6.3 Directed surveillance does not include any type of covert surveillance in residential premises or in private vehicles. Such activity is defined as "intrusive surveillance" and is dealt with in paragraph 7.
- 6.4 In practice, the sort of directed surveillance which the Council might undertake would include the use of concealed cameras as part of an investigation into antisocial behaviour or breach of tenancy conditions. It might include covert surveillance connected with the enforcement of environmental health or planning regulations or in connection with investigating benefit fraud. You should treat anything involving the use of concealed cameras or anything involving keeping covert observation on premises or people as potentially amounting to directed surveillance. If you are unsure, please take advice either from your manager or supervisor, or from the Head of Legal Services.
- 6.5 Directed surveillance **must** be properly authorised in accordance with the procedure set out in section 9.
- 6.6 You should treat any covert surveillance which is likely to intrude upon anyone's privacy to more than a marginal extent as directed surveillance, even if it does not fall within the strict terms of the definition – for instance where surveillance is not part of a specific investigation or operation.

New Section 7. Directed Surveillance and Social Media

The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Whenever you intend to use the internet as part of an investigation, you must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights, including the effect of any collateral intrusion. (See Section 3 for an explanation of Article 8 rights.)

Any activity likely to interfere with an individual's Article 8 rights should only be used when necessary and proportionate to meet the objectives of a specific case. If your proposed use of social media in connection with an investigation amounts to covert directed surveillance within the scope of RIPA by electronic means, an authorisation in accordance with the procedure set out in section 9. Where an investigator may need to communicate covertly online, for example contacting individuals using social media websites, a CHIS authorisation should be considered.

Where individuals publish information freely (e.g. twitter accounts, LinkedIn profiles), there is unlikely to be any interference with Article 8 rights. This is also likely to be the case with other information published openly on the Internet. Care should be taken with other social media, such as Facebook. Even if the user has not used privacy settings to restrict access, this does not necessarily mean that they have made a decision to publish personal information to the world. It is likely to be proportionate, in connection with an investigation (e.g. benefit fraud) to make a single visit to an unsecured Facebook profile. Further visits could amount to surveillance. If you are considering monitoring social media such as Facebook in connection with an investigation. you should first seek advice on whether RIPA authorisation is needed.

[Then renumber.]

7. What is intrusive surveillance?

7.1 **An important warning: the Council cannot authorise intrusive surveillance.**

7.2 Intrusive surveillance is defined as covert surveillance that:

- a. is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
- b. involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

7.2 In essence, intrusive surveillance amounts to intrusion into people's homes or vehicles either physically or by means of a surveillance device.

7.3 **Intrusive surveillance cannot be undertaken without authorisation and the Council cannot authorise intrusive surveillance.** Bodies such as the Police and Customs and Excise can authorise intrusive surveillance. If you are asked by another agency to co-operate with intrusive surveillance, you should seek advice from the Head of Legal Services immediately. Where other authorities say that they are authorised to undertake intrusive surveillance but need our co-operation, we need to check that their authorisation is in order.

8. What is a covert human intelligence source?

8.1 A covert human intelligence source is someone who establishes or maintains a relationship with a person for the purpose of covertly obtaining or disclosing information. In practice, this is likely to cover the use of an informer or Council officer to strike up a relationship with someone as part of an investigation to obtain information "under cover".

8.2 Someone who volunteers information to the Council, either as a complainant (for instance, about anti-social behaviour or a breach of planning regulations) or out of civic duty, is unlikely to be a covert human intelligence source. If someone is keeping a record, say, of neighbour nuisance, this will not amount by itself to use of a covert human intelligence source. However, if we are relying on, say, a neighbour to ask questions with a view to gathering evidence, then this may amount to use of a covert human intelligence source.

8.3 The use by the Council of covert human intelligence sources is expected to be extremely rare and, for that reason, this guide does not deal with the issues to which they give rise. If you are contemplating use of a covert human intelligence source, please take advice from the Head of Legal Services before putting your plan into action.

9. Authorising Directed Surveillance: The Rules

9.1 It is crucial that all directed surveillance is properly authorised. Failure to secure proper authorisation and to comply with this procedure could lead to evidence being excluded by the courts and to complaints against the Council. The Council is subject to audit and inspection by the Office of the Surveillance Commissioner

and it is important that we can demonstrate compliance with RIPA and with this code. **Again, please note that the Council cannot authorise intrusive surveillance – see section 7.**

9.2 Who can authorise directed surveillance? Regulations made under the Act say that the most junior level at which authorisations can only be given is by what it refers to as “assistant chief officers”. For the purposes of this Code, authorisations may only be given by the officers identified in the Appendix to this Guide referred to as “authorising officers”. In cases of urgency, if it is not possible to seek authority from an authorising officer, authority may be given by a deputy to an authorising officer, but ratification of that authority should be sought at higher level as soon as practical, and the reasons for urgency recorded on the authorisation form. Where practical, the authorising officer should not be directly involved in the case giving rise to the request for authorisation. (However, an authorising officer may authorise a request made by staff who report to them if they are not directly involved in the case.) Where it is not practical for authorisation to be given by an officer who is not directly involved, this should be noted with reasons on the authorisation form. In addition to internal authorisation, directed surveillance cannot be carried out without the approval of a Magistrate. (See paragraph 10.2 below.)

9.3 On what grounds can directed surveillance be authorised? Directed surveillance can only be authorised by local authorities:

- for the purpose of preventing or detecting serious crime where the offence under investigation carries a custodial sentence of six months or more.

When the legislation was introduced, the Council could authorise directed surveillance on other grounds (e.g. in the interests of public safety or in the interests of protecting public health, or to prevent or detect disorder) but the serious crime ground is the only one available to local authorities. The Police have wider powers to authorise directed surveillance.

Please note that surveillance has to be **necessary** for the serious crime purpose. If you can just as well carry out an investigation by means which do not involve directed surveillance, then you should use them.

9.4 Is the proposed surveillance proportionate? Authorisation should not be sought, and authority should not be given unless you are satisfied that the surveillance is proportionate. You should make sure that any interference with privacy is justified by the end being sought. Unless the benefit to be obtained from surveillance is significant, and unless the problem you are seeking to tackle is serious, the use of surveillance is unlikely to be proportionate. We should not “use a sledgehammer to crack a nut”!

9.5 Is the proposed surveillance discriminatory? The Council is under a legal obligation to avoid either direct or indirect discrimination in carrying out its functions. As surveillance can interfere with rights contained in the European Convention on Human Rights, discrimination can also amount to a breach of the Human Rights Act. You should be sensitive to this issue and ensure that you apply similar standards to seeking or authorising surveillance regardless of ethnic origin, sex or sexual orientation, disability, age etc. You should be alert to any assumptions about people from different backgrounds which may not even be consciously held.

9.6 **Might the surveillance involve “collateral intrusion”?** In other words, might the surveillance intrude upon the privacy of people other than those who are the subject of the investigation. You should be sensitive of the privacy rights of third parties and consider very carefully whether the intrusion into their privacy is justified by the benefits of undertaking the surveillance.

9.7 **Might the surveillance involve acquiring access to any confidential or religious material?** If so, then the surveillance will require a particularly strong justification and arrangements need to be put in place to ensure that the information obtained is kept secure and only used for proper purposes. Confidential material might include legal or financial records, or medical records. Where there is a possibility that access to confidential or religious material might be obtained, the authorisation of the Chief Executive (or, in her absence in cases where it is not practical to wait for her return, the authorisation of a Director acting as her deputy) should be sought.

10. Authorising Directed Surveillance: The Procedure

10.1 Applying for authorisation.

10.1.1 Detailed guidance on the authorisation procedure and on how to complete the statutory forms is available on the Council’s Intranet at <http://intranet/Guidelines/Docs/RIPA%20Guidance%20Manual.pdf> The individual forms are available separately and links to them are set out in Appendix 3. You must only use the forms that are on the Intranet, you should read the accompanying notes carefully and follow them when completing the form.

10.1.2 Before submitting an application for authorisation, you must supply a copy of your request to the Head of Legal Services. You may only submit your application for authorisation if you obtain the approval of the Head of Legal Services.

10.1.3 A written application for authorisation for directed surveillance should describe in detail any conduct to be authorised and the purpose of the investigation or operation. The application should also include:

- the reasons why the authorisation is necessary in the particular case and on the grounds (e.g. for the purpose of preventing or detecting crime) listed in Section 28(3) of the 2000 Act;
- the reasons why the surveillance is considered proportionate to what it seeks to achieve;
- the nature of the surveillance;
- the identities, where known, of those to be the subject of the surveillance;
- an explanation of the information which it is desired to obtain as a result of the surveillance;
- the details of any potential collateral intrusion and why the intrusion is justified;

- the details of any confidential information that is likely to be obtained as a consequence of the surveillance.
- the level of authority required (or recommended where that is different) for the surveillance; and
- a subsequent record of whether authority was given or refused, by whom and the time and date.

10.1.4 Additionally, in urgent cases, the authorisation should record (as the case may be):

- the reasons why the authorising officer or the officer entitled to act in urgent cases considered the case so urgent that an oral instead of a written authorisation was given; and/or
- the reasons why it was not reasonably practicable for the application to be considered by the authorising officer.

10.1.5 Where the authorisation is oral, the detail referred to above should be recorded in writing by the applicant as soon as reasonably practicable.

10.2 Approval by a Magistrate

10.2.1 The internal authorisation for covert surveillance is not to take effect until a Magistrate has made an order approving it. Approval can only be given if the Magistrate is satisfied that:

(a) There were reasonable grounds for the authorising officer to believe that the directed surveillance was necessary and proportionate and that there remain reasonable grounds for believing so.

(b) The authorising officer was of the correct seniority within the organisation i.e. a Director, Head of Service, Service Manager or equivalent.

(c) The granting of the authorisation was for preventing or detecting crime and that the offence under investigation carries a custodial sentence of six months or more.

10.2.2 You must not commence covert surveillance until you have confirmation that the Magistrate's approval has been given.

10.3 Duration of authorisations

10.3.1 A written authorisation granted by an authorising officer will cease to have effect (unless renewed) at the end of a period of **three months** beginning with the day on which it took effect.

10.3.2 Urgent oral authorisations or written authorisations granted by a person who is entitled to act only in urgent cases will, unless renewed, cease to have effect after **seventy-two hours**, beginning with the time when the authorisation was granted

or renewed. This will apply to written authorisations given by deputies to Heads of Services.

10.3.3 Even though authorisations cease to have effect after three months, you should not simply leave them to run out. When the surveillance ceases to be necessary, you should always follow the cancellation procedure. See section 10.6. Where surveillance has ceased, we must be able to match each authorisation with a cancellation.

10.4 Reviews

10.4.1 Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The maximum period between authorisation and review, and between reviews, should be four weeks. The more significant the infringement of privacy, the more frequent should be the reviews. The results of a review should be recorded on the central record of authorisations (see paragraph 11). Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

10.4.2 In each case authorising officers within the Council should determine how often a review should take place. This should be as frequently as is considered necessary and practicable.

10.4.3 A link to the form to record a review of an authorisation may be found in Appendix 2 to this Guide.

10.5 Renewals

10.5.1 If at any time before an authorisation would cease to have effect, the authorising officer considers it necessary for the authorisation to continue for the purpose for which it was given, s/he may renew it in writing for a further period of **three months**. A single renewal may also be granted orally in urgent cases and may last for a period of **seventy-two hours**. A renewal cannot take effect unless it has been approved by a Magistrate. If you think a renewal might be needed, you should plan to allow sufficient time for an application to a Magistrate to be made before expiry.

10.5.2 A renewal takes effect at the time at which, or day on which the authorisation would have ceased to have effect but for the renewal. An application for renewal should not be made until shortly before the authorisation period is drawing to an end. Any person who would be entitled to grant a new authorisation can renew an authorisation. Authorisations (other than oral authorisations in urgent cases) may be renewed more than once, provided they continue to meet the criteria for authorisation.

10.5.3 All applications for the renewal of an authorisation for directed surveillance should be made on the form linked to Appendix 2 to this guide and should record:

- whether this is the first renewal or every occasion on which the authorisation has been renewed previously;
- any significant changes to the information given in the original application for authorisation;

- the reasons why it is necessary to continue with the directed surveillance;
- the content and value to the investigation or operation of the information so far obtained by the surveillance;
- the results of regular reviews of the investigation or operation.

10.5.4 Authorisations may be renewed more than once, if necessary, and the renewal should be kept/recorded as part of the central record of authorisations (see paragraph 12).

10.6 Cancellations

10.6.1 The authorising officer who granted or last renewed the authorisation must cancel it if he is satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the authorising officer is no longer available, this duty will fall on the person who has taken over the role of authorising officer. If in doubt about who may cancel an authorisation, please consult the Head of Legal Services. Cancellations are to be effected by completion of the form linked to in Appendix 2 to this Guide.

10.6.2 **N.B. Please note the warning in paragraph 10.3.3 that there must be a completed cancellation for each authorisation once surveillance has been completed. An authorisation cannot simply be allowed to expire.**

10.7 Ceasing of surveillance activity

10.7.1 As soon as the decision is taken that directed surveillance should be discontinued, the instruction must be given to those involved to stop all surveillance of the subject(s). The date and time when such an instruction was given should be included in the Notification of Cancellation form.

11. Record Keeping and Central Record of Authorisations

11.1 In all cases in which authorisation of directed surveillance is given, the Service Head is responsible for ensuring that the following documentation is kept safely for a period of at least three years from the date of authorisation:

- a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the authorising officer;
- a record of the period over which the surveillance has taken place;
- the frequency of reviews prescribed by the authorising officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the authorising officer.

11.2 In addition, copies the following must be sent to the Head of Legal Services immediately upon completion:

- all completed forms authorising directed surveillance;
- all completed forms authorising renewal of directed surveillance;
- all completed forms cancelling directed surveillance.

These will be kept by the Head of Legal Services who will review them at least every twelve months in his capacity as the Council's Monitoring Officer.

12. Authorising Use of Covert Human Intelligence Sources

12.1 Similar principles and procedures apply to authorising the use of covert human intelligence sources, including the need for authorisations to be approved by a Magistrate. If it becomes apparent that their use is more than very exceptional, detailed guidance will be published and circulated. For the present, officers' attention is drawn to the explanation of the nature of a covert human intelligence source in Paragraph 9. If you think you might be using, or might use, a covert human intelligence source, please contact the Head of Legal Services, who will advise on the principles to be applied, the authorisation procedure, record keeping etc. For the avoidance of doubt, the Council will comply, so far as applicable, with the model guidance issued by the Home Office.

13. Authorisations by Third Parties

13.1 You may be approached by another agency, e.g. the Police or HMRC, to co-operate in undertaking activities regulated by RIPA. In cases where the City Council is acting on behalf of another agency, the tasking agency should normally obtain and provide evidence of the RIPA authorisation. Although the Council can act on an authorisation obtained by another agency, it is still important for the Council to reach a view on whether it is appropriate to co-operate. Please, where practical, seek the advice of the Head of Legal Services before acting on a third-party authorisation.

13.2 Home Office guidance says that, where possible, public authorities should seek to avoid duplication of authorisations as part of a single investigation or operation. For example, where two agencies are conducting directed surveillance as part of a joint operation, only one authorisation is required. Duplication of authorisations does not affect the lawfulness of the activities to be conducted, but may create an unnecessary administrative burden on authorities. But we should not use Police authorisation as a means to avoid the safeguards put in place for local authority use of RIPA or as a means of carrying out surveillance for purposes not authorised for local authorities; e.g. intrusive surveillance or surveillance for non-permitted purposes. If it is primarily a Council operation, then the Council should be responsible for authorisation.

13.3 You must notify the Head of Legal Services of all occasions on which you act under a RIPA authorisation obtained by a third party.

14. Access to Communications Data

- 14.1 There are stringent controls placed on access by the Council to “communications data”. The Council is not entitled to obtain access to the content of communications between third parties but can, in some circumstances, obtain information relating to the use of a communications service. “Communications services” include telecom providers, postal services and internet service providers.
- 14.2 This is a complex area, procedurally and legally. Access to communications data can only be obtained through the Council’s designated “single point of contact” (“SPOC”) for communications data. The Head of Legal Services has this role and you should consult him at an early stage if you think you may need access to communications data.

15. Covert surveillance outside of RIPA

- 15.1 Not all types of covert surveillance falls within the scope of RIPA which, for local authorities, is limited to criminal investigations. On occasion, it may be appropriate to carry out covert surveillance in connection with, for instance, an audit or disciplinary investigation. Formal RIPA authorisation will not be needed in these circumstances but the principles embodied in RIPA still apply. In these circumstances, you should complete the non-RIPA application form and submit it to an authorising officer for approval. Detailed guidance on non-RIPA surveillance is available on the Intranet at <http://live.drupal.intranet.ccc.local/content/regulation-investigatory-powers-act-2000> .

15. Further Information

- 15.1 Departments may wish to develop their own guidance and Environmental Health and Waste Management has already done so. This is to be encouraged. However, the principles and procedures contained in departmental guidance must be compatible with this guidance.
- 15.2 There is much helpful information on the Home Office web site about RIPA. See Appendix Two for links.
- 15.3 The Head of Legal Services is happy to advise further on issues connected with RIPA. Departments need to consider what their training needs are in this area and the Head of Legal Services is willing to discuss what help he can offer with this.

Simon Pugh
Head of Legal Services

Approved Authorising Officers for the Purposes of the Regulation of Investigatory Powers Act 2000

- Liz Bisset, Director of Community Services
- Robert Hollingsworth, Head of City Homes
- Jas Lally, Head of Refuse and Environment

The Leader of the Council delegated power to the Chief Executive to designate authorised officers for the purposes of Chapters II and III of the Act. (Record of Decision ref: 07/S&R/14, 3 September 2007).

Links

Links to Home Office Information on RIPA, including codes of practice are at <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/> Forms are also available via this site but you should only use the forms on the Council's Intranet, which may be found through the links in Appendix Three.

Intranet Guidance

RIPA Covert Surveillance Forms and Guidance

Regulation of Investigatory Powers Act 2000

Guidance on the use of covert surveillance and "covert human intelligence sources"

- [The Regulation of Investigatory Powers Act 2000 - Procedure Guide 2013 \[DOC, 87kB\]](#)

The guidance manual and the information set out in all the forms below have been purchased from an external source and copyright belongs to Ibrahim Hasan (2010) of Act Now Training - www.actnow.org.uk - Surveillance Law Training and Resources. Under no circumstances should copies of the manual or guidance be provided to any other person or organisation outside Cambridge City Council.

RIPA Guidance Manual

- [1. Introduction \[PDF, 0.5MB\]](#)
- [2. Guidance for Authorising Officers \[PDF, 153kB\]](#)
- [3. Completing the RIPA Forms \[PDF, 0.8MB\]](#)
- [4. Seeking Magistrates' Approval \[PDF, 121kB\]](#)
- [5. Non RIPA Surveillance \[PDF, 0.6MB\]](#)

Directed Surveillance (DS) Forms

- [15 DS Review Form.doc \[DOC, 61kB\]](#)
- [14 DS Application Form.doc \[DOC, 115kB\]](#)
- [17 DS Cancellation Form.doc \[DOC, 47kB\]](#)
- [16 DS Renewal Form.doc \[DOC, 59kB\]](#)

Covert Human Intelligence Source (CHIS) Forms

- [Completing the CHIS Forms.doc \[DOC, 24kB\]](#)
- [CHIS Review \[DOC, 62kB\]](#)

- [CHIS Application \[DOC, 122kB\]](#)
- [CHIS Cancellation \[DOC, 45kB\]](#)
- [CHIS Renewal \[DOC, 61kB\]](#)
- [CHIS Non-RIPA Form \[DOC, 89kB\]](#)

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To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: Simon Pugh Head of Legal Services
Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 19/1/2014
Wards affected: All

PROCUREMENT AND BLACKLISTING

Not a Key Decision

1. Executive summary

On 24th July 2014 the Council resolved that:

“Cambridge City Council deplores the illegal practice of “blacklisting” within the construction industry and will ensure that any company known to have been involved in blacklisting practices and not to have indemnified their victims will not be invited to tender for contracts until they have:

- (i) Identified the steps taken to remedy the blacklisting for affected workers
- (ii) Identified the steps taken to ensure that blacklisting will not happen again; and
- (iii) Given assurances that they do not employ individuals who were named contacts for The Consulting Association

The Council asks officers to prepare a report for the Leader and Strategy and Resources Scrutiny Committee on implementation of this policy.

The report will develop the policy and consider how it will be embedded into the Council’s procurement process and practice”.

This report responds to that decision and sets out, at Appendix 1, a draft of the Council’s policy toward the practice of blacklisting and explains how the policy will be embedded into the Council’s procurement processes.

2. Recommendations

The Leader is recommended:

- (1) To approve the draft policy with regard to Blacklisting set out at Appendix 1
- (2) To approve the actions to embed the policy in the Council's procurement processes set out at section 6 of this report.

3. Background

In March 2009 the Information Commissioners Office (ICO) seized a database kept by The Consulting Association (TCA) which contained the names of over 3000 construction workers, including active union members and shop stewards, health and safety representatives and political activists, which had been used by a number of construction companies for employment vetting purposes.

The discovery of the database and subsequent enquiries led to the Employment Relations Act 1999 (Blacklists) Regulations 2010 (the Regulations) which came into force in the UK in March 2010. The Regulations protect employee rights, job applicants and workers who are members of trade unions and participate in trade union activities. Trade union members are not the only group covered by the Regulations and blacklists could potentially contain details about non-union individuals who have reported concerns about eg health and safety or environmental matters (so-called "mixed lists").

The Regulations:

- Provide a definition of "prohibited lists" e.g. a blacklist and prohibits the compilation, circulation or use of such lists
- Makes it unlawful for organisations to refuse employment, to dismiss a worker or otherwise cause detriment to a worker for a reason related to a prohibited list
- Makes it unlawful for an employment agency to refuse a service to a worker for a reason related to a prohibited list
- Provides a remedy, through an employment tribunal, to hear complaints about alleged breaches or alternatively the County Court to hear complaints about loss or potential loss

TCA database was used by more than 40 construction firms to check the names of prospective employees. As a result of the information gathered by TCA it appears that some individuals were denied employment opportunities, that would otherwise have been available to them, without explanation. The companies involved in blacklisting benefitted as a result

since industrial relations or health and safety disputes on construction sites could result in delays to the completion of work, penalty clauses being invoked and financial loss.

In March 2013 the House of Commons Scottish Affairs Committee produced an interim report¹ on Blacklisting which confirmed that the big construction companies, via TCA, had set up a structure which allowed them to submit names and details of workers they deemed to be “unsuitable” to a central list and to check prospective employees, or the employees of sub-contractors on their sites, against this list. The Committee enquiry into the matter is continuing.²

4. Blacklisting and Procurement

In principle the Council can exclude companies or individuals that use blacklists from bidding for its contracts. The Public Contracts Regulations 2006, which regulates the Council’s procurement activities, permits bidders to be excluded from a tendering process for, among other things, grave professional misconduct.

Blacklisting in breach of the Regulations can amount to an act of grave professional misconduct. Blacklisting can not only penalise legitimate trades union activity it can also punish individuals for raising health and safety issues. There are obvious and serious implications for the well-being of employees, other workers and members of the public if people feel intimidated into not raising health and safety concerns.

The right to exclude a bidder on the grounds of grave professional misconduct is a discretionary one which must be exercised in a transparent and fair manner and has to be considered on a case by case basis. The following safeguards must be considered in any decision to exclude an organisation:

- (i) **Proportionality** – we cannot impose a blanket ban which excludes all blacklisting companies from tendering for Council contracts forever. Companies may only be excluded until such-time as they can evidence that they have carried out adequate “self-cleaning” (see section 5 below)
- (ii) **Evidence** –it must be established that the company that has applied to take part in the tendering exercise is the same company that has been engaged in blacklisting. Many companies have very similar names. Admission by the applicant

¹ “Blacklisting in Employment”

<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmselect/1071/107102.htm>

² <http://www.parliament.uk/business/committees/committees-a-z/commons-select/scottish-affairs-committee/inquiries/parliament-2010/blacklisting-in-employment/>

company, a court or tribunal decision (or other public body exercising similar functions) is likely to be acceptable evidence. The current Public Contracts Regulations don't impose any specific limit on how far back an authority can look for evidence of wrongdoing but new procurement regulations, which are expected to become law in spring next year, will impose a time limit of 5 years from the date of any conviction for Blacklisting and 3 years for other "relevant events". The Policy may have to be reviewed when the new regulations become law.

- (iii) **Exclusion** is not a means of punishing an organisation for past wrongdoing but rather a means of putting right the wrongdoing and ensuring that it does not re-occur ("self-cleaning").

5. Self-cleaning

The concept of self-cleaning comes from competition law and describes circumstances in which a company has taken measure to put right its earlier wrongdoing and to prevent it from reoccurring.

Self-cleaning comprises 4 stages **all** of which have to be completed for the process to be considered effective. The four stages are:

1. **Clarification of the facts and circumstances** - including what happened, when it happened and whether there has been any subsequent wrongdoing.
2. **Effective repair of the damage caused** – what has the potential tenderer done to repair the damage caused by its wrongdoing. This could take the form of compensation/reinstatement of the victims of blacklisting but does not necessarily involve an apology.
3. **Personnel measures** – have appropriate personnel measure been taken to prevent a reoccurrence of the wrongdoing? Asking a company to give assurances that they do not employ individuals who were named contacts for The Consulting Association could fall into this category.
4. **Structural and organisational measures:** What measures have been taken to prevent a re-occurrence of the wrongdoing?

Where a company can demonstrate that it has successfully completed all four stages of the self-cleaning process, exclusion from a tender process would generally be disproportionate and subject to challenge by the excluded contractor.

In July this year, eight of the firms that had previously been involved in blacklisting established a compensation scheme for affected workers. Under the scheme, individuals who believe that they may be included on blacklists have until 30th June 2016 to notify the administrators of the scheme of a claim. The scheme offers a “fast track” option and a “full review” option for claimants. The fast track scheme will pay out fixed compensation of between £4,000 and £20,000 depending on how much information was held about the claimant and whether the information was ever accessed for employment vetting purposes. The full review will enable claimants to claim compensation for proven losses up to £100,000. These claims will be assessed by an adjudicator on the basis of written submissions.

6. Embedding the policy into the Council’s procurement processes

The draft policy at Appendix 1 sets out the measures that are being recommended to ensure, insofar as is possible, that the Council does not contract with an organisation that has been involved in blacklisting unless and until they can demonstrate that they have effectively self-cleaned.

It is recommended that the Council adopts the following measures to embed the policy into the Council’s procurement processes:

- Incorporate a statement about the Council’s policy with regard to blacklisting:
 - On the Procurement pages of the Council’s website
 - In the Council’s Procurement Strategy
 - In advertisements or notices about Council tendering opportunities
 - In any pre-qualification and tender documents
- Require organisations wishing to carry out work for the Council to
 - Self-declare (in a pre-qualification questionnaire or tender) that they have not been involved in blacklisting and will not take part in blacklisting in the future
 - Or to explain why they are unable to complete the declaration.

Where an applicant is unable to complete a self-declaration, the officers will carry out a review in a proportionate and reasonable manner to conclude whether or not the organisation should be excluded from the competition.
- Decisions about exclusion will be taken by Heads of Service (for contracts below £50,000) or Directors (for contracts of £50,000 or above) having first considered a report from the investigating officer.

- Incorporate a suitable provision in the terms and conditions of contract (including the Council’s standard terms and conditions) that allows a contract to be terminated if there is unequivocal evidence of blacklisting, no self-cleaning has taken place and it is proportionate in the circumstances to do so.
- Produce guidance about the review process for organisations that are unable to self-certify.

7. Implications

(a) **Financial Implications**

There are no additional resources required to implement the recommendations in this report. The exclusion of tenderers under the policy may reduce the number of competitive bids received.

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

The policy should help guard against intimidation of workers who have health and safety concerns, and so should promote the well-being of employees and others.

(c) **Equality and Poverty Implications**

The EQIA for this policy is at Appendix 2

(c) **Environmental Implications**

Nil

(e) **Procurement** The procurement implications are contained within the body of the report

(f) **Consultation and communication**

None. While some organisations may be excluded from doing business with the Council as a result of the recommended policy, this will take place following an evidence-based, objective and transparent process. No organisation will be permanently excluded from doing business with the Council.

(g) **Community Safety** – See “Staffing Implications”.

8. Background papers

The following background papers can be found on the web:

BIS Guidance on Blacklisting March 2010

Blacklisting the Blacklisters - Leigh Day September 2013

Value Wales Policy Advisory Note for the Public Sector in Wales

Scottish Affairs Select Committee – Interim Report on Blacklisting

9. Appendices

- 1 Draft Policy with regard to Blacklisting
- 2 Draft Equality Impact Assessment

10. Inspection of papers

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

Author's Name:	Debbie Quincey
Author's Phone Number:	01223 - 457400
Author's Email:	debbie.quincey@cambridge.gov.uk

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APPENDIX 1

DRAFT

Cambridge City Council – policy with regard to the practice of Blacklisting

Blacklisting

Blacklisting is:

the systematic compilation of information about individual trade unionists and others (including those not in a union) who have reported concerns about eg health and safety or environmental matters

the use of this information by employers and recruiters to refuse employment, or to dismiss an employee or otherwise cause detriment to a worker because of their trade union membership or activity or action to raise workplace concerns

Blacklisting is unlawful and can cause serious detriment to a worker including financial loss

Background to this Policy

In March 2009 the Information Commissioners Office (ICO) seized a database kept by The Consulting Association (TCA) which contained the names of over 3000 construction workers, including active union members and shop stewards, health and safety representatives and political activists, which had been used by a number of construction companies for employment vetting purposes.

The discovery of the database and subsequent enquiries led to the Employment Relations Act 1999 (Blacklists) Regulations 2010 (the Regulations) which came into force in the UK in March 2010. The Regulations protect employee rights, job applicants and workers who are members of trade unions and participate in trade union activities. Trade

union members are not the only group covered by the Regulations and blacklists could potentially contain details about non-union individuals who have reported concerns about eg health and safety or environmental matters (so-called “mixed lists”).

The Regulations:

- Provide a definition of “prohibited lists” eg a blacklist and prohibit the compilation, circulation or use of such lists
- Make it unlawful for organisations to refuse employment, to dismiss a worker or otherwise cause detriment to a worker for a reason related to a prohibited list
- Make it unlawful for an employment agency to refuse a service to a worker for a reason related to a prohibited list
- Provide a remedy, through an employment tribunal, to hear complaints about alleged breaches or alternatively the County Court to hear complains about loss or potential loss

Our commitment

The Council recognises and accepts the right of individual employees to be members of a Union and to take part in union activities at a local and regional level. The Council also considers it essential that employees can raise health and safety concerns without fear of victimisation.

The Council deplores the illegal practice of “blacklisting” within the construction and other industries.

As a service provider we will ensure that any company known to have been involved in blacklisting practices and not to have indemnified their victims or “self-cleaned” will not be invited to tender for contracts until they have:

- (i) Identified the steps taken to remedy the blacklisting for affected workers
- (ii) Identified the steps taken to ensure that blacklisting will not happen again; and

- (iii) Given assurances that they do not employ individuals who were named contacts for The Consulting Association

Self-cleaning

A company that has taken measures to put right its earlier wrongdoing and to prevent it from re-occurring should complete the following four stages in order to effectively self-clean:

Clarification of the facts and circumstances - including what happened, when it happened and whether there has been any subsequent wrongdoing;

Effective repair of the damage caused – what has the company done to repair the damage caused by its wrongdoing. This could take the form of compensation or reinstatement of the victims of blacklisting but does not necessarily involve an apology;

Personnel measures – have appropriate personnel measures been taken to prevent a reoccurrence of the wrongdoing? For example, the company must give its assurance that they do not employ any individuals who were named contacts for The Consulting Association.

Structural and organisational measures – what measures has the company taken to prevent a re-occurrence of the wrongdoing?

Embedding this policy in our Procurement Processes

In principle the Council can exclude companies or individuals that use blacklists from bidding for its contracts. The Public Contracts Regulations 2006, which regulates the Council's procurement activities, permits bidders to be excluded from a tendering process for, among other things, grave professional misconduct. Blacklisting in breach of the Regulations can amount to an act of grave professional misconduct.

The right to exclude a bidder on the grounds of grave professional misconduct is a discretionary one which must be exercised in a transparent and fair manner and has to be considered on a case by case basis. The following safeguards must be considered in any decision to exclude an organisation:

(i) Proportionality – we cannot impose a blanket ban which excludes all blacklisting companies from tendering for Council contracts forever. Companies may only be excluded until such-time as they can evidence that they have carried out adequate “self-cleaning” (see section 5 below)

(ii) Evidence –it must be established that the company that has applied to take part in the tendering exercise is the same company that has been engaged in blacklisting. Many companies have very similar names. Admission by the applicant company, a court or tribunal decision (or other public body exercising similar functions) is likely to be acceptable evidence.

(iii) Exclusion is not a means of punishing an organisation for past wrong doing but rather a means of putting right the wrongdoing and ensuring that it does not re-occur (“self-cleaning”).

In our procurement activities we will work to the following principles and procedures:

We will incorporate a clear statement about the Council’s policy with regard to blacklisting

On the Procurement pages of the Council’s website

In the Council’s Procurement Strategy

In advertisements or notices about Council tendering opportunities

In any pre-qualification and tender documents

Organisations wishing to carry out work for the Council will be required to:

Self-declare in a pre-qualification or tender that they have not been involved in blacklisting and will not take part in blacklisting in the future

Explain why they are unable to complete the declaration

Confirm where they have been involved in blacklisting practices, that they have effectively “self-cleaned” and indemnified any victims

We will investigate each admission or allegation of blacklisting arising during the course of a procurement and take appropriate

action up to and including exclusion of a potential bidder from a procurement process where legally permissible

Decisions to exclude a potential bidder from a procurement process will be taken by Heads of Service (for contracts below £50,000) or Directors (for contracts above £50,000) after considering a report from the investigating officer and having consulted Legal Services and Strategic Procurement

We will incorporate a suitable provision in relevant terms and conditions of contract (including the Council's standard terms and conditions) to allow a contract to be terminated if there is unequivocal evidence of blacklisting, no self-cleaning has taken place and it is proportionate in the circumstances and the contractor admits to blacklisting or is found guilty of a blacklisting offence where it would be legally permissible to do so.

We will ensure that all potential bidders have access to this Policy and produce guidance about the process for organisations that are unable to self-certify.

Date for review of Policy

This Policy will be reviewed by the Head of Legal Services following the implementation of the new Public Contracts Regulations

December 2014

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Cambridge City Council Equality Impact Assessment



Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.

The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on evidence and experience. There are guidance notes on the intranet to help you. You can also get advice from Suzanne Goff, Strategy Officer on 01223 457174 or email suzanne.goff@cambridge.gov.uk or from any member of the Joint Equalities Group.

1. Title of strategy, policy, plan, project, contract or major change to your service:

- Council Policy with regard to Blacklisting in Construction contracts

2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

To ensure so far as is possible that the Council does not contract with organisations that have been found guilty of compiling, supplying, selling or using a blacklist unless they have put effective arrangements in place to compensate affected workers and to ensure that blacklisting does not occur in the future (self-cleaning). The aim of the policy is to ensure that companies that wish to work for the Council are dissuaded from compiling or using blacklists and where such lists exist, to ensure that those trade unionists and others listed on them are fully protected.

3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

- Residents
 Visitors
 Staff

A specific client group or groups (please state):

- Contractors wanting to carry out work for the Council

4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

- New
 Revised
 Existing

5. Responsible directorate and service

Directorate: Business Transformation

Service: Legal Services

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

Yes (please give details): Officers in all departments that procure construction services will need to be aware of and implement the policy when carrying out their procurements.

7. Potential impact

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

When answering this question, please think about:

- The results of relevant consultation that you or others have completed (for example with residents, people that work in or visit Cambridge, service users, staff or partner organisations).
- Complaints information.
- Performance information.
- Information about people using your service (for example whether people from certain equalities groups use the service more or less than others).
- Inspection results.
- Comparisons with other organisations.
- The implementation of your piece of work (don't just assess what you think the impact will be after you have completed your work, but also think about what steps you might have to take to make sure that the implementation of your work does not negatively impact on people from a particular equality group).
- The relevant premises involved.
- Your communications.
- National research (local information is not always available, particularly for some equalities groups, so use national research to provide evidence for your conclusions).

(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals of a particular age.

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

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals with a disability.

(c) Gender

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals of a particular gender.

(d) Pregnancy and maternity

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals falling within this group.

(e) Transgender (including gender re-assignment)

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals of a particular gender or transgender

(f) Marriage and Civil Partnership

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals that are married or in a civil partnership

(g) Race or Ethnicity

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals of a particular race or ethnicity

(h) Religion or Belief

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals of a particular religion or belief

(i) Sexual Orientation

The implementation of the policy will involve the Council exercising a discretionary right to exclude or not potential construction contractors that have been found guilty of compiling, supplying, selling or using a blacklist, from tendering for a council construction contract. The exercise of that discretion will involve consideration of the actions of a contractor and not any group or individuals of a particular sexual orientation

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

None

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

9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to Suzanne Goff, Strategy Officer, who will arrange for it to be published on the City Council's website.
Email suzanne.goff@cambridge.gov.uk

10. Sign off

Name and job title of assessment lead officer: Debbie Quincey, Strategic Procurement Adviser

Names and job titles of other assessment team members and people consulted:
Alka Kingham-Senior, Principal Solicitor, Simon Pugh Head of Legal Services

Date of completion: December 2014

Date of next review of the assessment: December 2019

Action Plan

Equality Impact Assessment title:

Date of completion:

Equality Group	Age
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Disability
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Gender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Transgender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Other factors that may lead to inequality	
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	



To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: Alison Cole - Head of Revenues and Benefits

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

Wards affected: All Wards

COUNCIL TAX REDUCTION REVIEW 2015-16

Key Decision

1. Executive summary

- 1.1 Following the abolition of Council Tax Benefit on 1st April 2013 by Central Government, Cambridge City Council along with all other English local Councils was required to put in place a local Council Tax Support framework in the form of a Council Tax Reduction scheme by no later than 31st January in each year.
- 1.2 The Government prescribes a Council Tax Reduction Scheme for pensioners; therefore the Council was required only to design a scheme for people of working age.
- 1.3 In 2013-14, the Government reduced the grant for Council Tax Support by 10% of the sum paid for Council Tax Benefit, which meant the Council had a predicted £750,000 loss of funding for the new Council Tax Reduction Scheme.
- 1.4 Changes in legislation for awarding discounts and exemptions allowed that shortfall to be funded.
- 1.5 In relation to the 2015-16 Scheme and thereafter, the Scheme will be funded from the Council's Revenue Budget (General Fund).
- 1.6 In compliance with the Local Government Finance Act 2012, hereinafter called the Finance Act 2012, on 1 April 2013 the Council introduced its own local Council Tax Reduction Scheme as approved at a meeting of Council on 9 January 2013 where it was agreed that Cambridge City Council preserve the equivalent levels of benefit for those entitled to it.
- 1.7 For each financial year, the Council is required under the Finance Act 2012 to consider whether to revise its Scheme or to replace it with another Scheme.

- 1.8 Councils also have the discretion to reduce the amount of Council Tax payable by granting locally defined discounts under provisions contained in Section 13A of the Finance Act 1992, hereinafter referred to as 'discretionary reduction'.
- 1.9 Section 13A(1)(c) allows for a discretionary reduction which can be used in relation to any individual case or by determining a class of case for which the charge should be reduced. The discount must be funded from the Council's Revenue Budget (General Fund) and can amount to 100% of the Council Tax charge.
- 1.10 The Council has previously used the discretion allowed under this Section to grant discounts for those Council Tax payers that are subject to the Council's mooring charge.
- 1.11 The expectation is that Councils, who did not maintain the level of support that was provided by the Council Tax Benefit Scheme, may receive a significant increase in discretionary reduction applications.
- 1.12 To comply with recent caselaw and to enable the Council to administer and determine these potential applications, the Council needs to publish a Discretionary Reduction Scheme under which individual applications can be determined.
- 1.13 This report provides the Strategy and Resources Scrutiny Committee with details of the review of the Council's 2014-15 Scheme and proposals for the continuation of the current scheme rules for the financial year 2015-16 and details of the Discretionary Council Tax Reduction Scheme.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Agree to continue to administer the Cambridge City Council - Council Tax Reduction Scheme 2013 (Persons who are not Pensioners);
- 2.2 Understand the change in the way that Council Tax Reduction Schemes will be funded by Government from 2015-16 onwards as detailed in section 4 below;
- 2.3 Agree to invoke the Council's right under paragraph 42(2) of the Scheme to set the applicable amounts in Schedule 1 in accordance with the annual uprating of applicable amounts, which will shortly be laid by Parliament as an amending statutory instrument to the Regulations;
- 2.4 Agree under paragraph 48(10) of the scheme to set the amounts of non-dependant deductions annually and to increase the amounts set in sub-paragraphs (1) and (2) by 1.2% in line with the published

- Consumer Prices Inflation (CPI) for September 2014 or to set them at the rate under the Prescribed Regulations, whichever is the higher;
- 2.5 Agree to retain the End of Calculation Deduction as set out in paragraph 49A of the Scheme at “zero” per cent;
 - 2.6 Agree to continue with the current position regarding discounts for empty dwellings and second homes;
 - 2.7 Approve the attached Cambridge City Council Discretionary Council Tax Reduction Scheme, incorporating powers to grant a reduction or further reduction under section 13A(1)(c) of the Finance Act 1992;
 - 2.8 Delegate authority to the Head of Revenues and Benefits to determine such applications for Council Tax Discretionary Reduction where they relate to individual cases of exceptional financial hardship.

3. Background

Council Tax Reduction

- 3.1 The Cambridge City Council - Council Tax Reduction Scheme (Persons who are not Pensioners) 2013 was reviewed and agreed by this committee on 20 January 2014.
- 3.2 The Council was and continues to be committed to minimising the effects of reduced Government funding on the City’s households.
- 3.3 It is expected that revenue from changes in Council Tax discounts and exemptions will continue to financially support overall funding, that is now incorporated within the Revenue Support Grant. As such, a further percentage End of Calculation Deduction in entitlement for some customers will not be made. This End of Calculation Deduction is reviewed annually as part of the Council Tax Reduction Scheme and can be set from zero to a 20% maximum.
- 3.4 There is no local discretion in respect of the provisions for pensioners, which are set out in statute in the Prescribed Regulations.
- 3.5 By implementing other Council Tax reforms, the Council was able to recover the loss in Government grants by removing all discounts on second homes and reducing the discounts given to certain empty dwellings from six months to one month and applying the long-term empty homes premium.
- 3.6 In Cambridge City Council, there are currently 6838 recipients of a Council Tax Reduction compared to 6970 recipients of Council Tax Benefit in 2012-13 and 7112 in 2011-12.

Discretionary Council Tax Reduction

- 3.7 The Council has a power to reduce “as it thinks fit” the amount of council tax payable, beyond those reductions prescribed in legislation since 2003 when the Finance Act 2003 inserted s.13A into the Finance Act 1992.
- 3.8 Until recently, section 13A was little used, since Council Tax payers in financial difficulties could apply for Council Tax Benefit, which often reduced liability to zero.
- 3.9 Council Tax Benefit was replaced by Council Tax Reduction under the Finance Act 2012, which requires every billing authority to have its own Council Tax Reduction Scheme for people of working age. Most such Schemes provide for reductions for those in financial need, but many have a maximum level Reduction that is less than 100% of the council tax liability.
- 3.10 Cambridge City Council’s Council Tax Reduction Scheme is not limited to a maximum amount and 100% of Council Tax may be met under the scheme for those who are most financially disadvantaged.
- 3.11 A Judicial Review in May 2014 regarding East Riding of Yorkshire highlighted the need for strengthened arrangements regarding Discretionary Reductions. The Review stated that “although a scheme or policy is not required by statute, it is difficult to see how such an open-ended discretion can be satisfactorily exercised in the absence of one”.

Legalities

- 3.12 For each financial year, the Council is required under the Finance Act 2012 to consider whether to revise or replace its Council Tax Reduction Scheme.
- 3.13 The Council must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.

Benefits of maintaining the current Reduction Scheme

Vulnerable Groups

- 3.14 The current Scheme meets the Council’s commitment to protect as many people as possible from any reduction in the level of Council Tax support.
- 3.15 This commitment means that the people of Cambridge who are in need of Council Tax Support do not have to find extra money towards their Council Tax at a time of other cuts in welfare benefits.

Work incentives

- 3.16 The Scheme meets the basic requirements of encouraging and incentivising work and complements work incentives within the Universal Credit scheme by extending maximum Council Tax Reduction for a period of four weeks from when a person (on certain qualifying income-related and contributory benefits) goes into work.

Parity with Housing Benefit

- 3.17 The administration of Housing Benefit for people of working age will remain with local authorities until gradual transfer to Universal Credit, the timetable for which is still uncertain.
- 3.18 Housing Benefit for certain people in exempt and supported accommodation is to stay with local authorities and will not be transferred to the Universal Credit. The transfer of Housing Benefit for pensioners to the Pension Service has been delayed, with no current estimated timetable for transfer.
- 3.19 The current scheme has a high degree of parity with the Housing Benefit scheme, which means that administration costs are kept to a minimum and there is no need for new bespoke software systems.
- 3.20 Staff expertise and knowledge has been carried forward from the Council Tax Benefit scheme, which keeps training requirements to a minimum and the public are not confused between the two schemes running side by side resulting in fewer queries than for other Councils.
- 3.21 Preparation of appeals, in relation to the treatment of income and capital, is made simpler because although they are heard by two different Appeals Tribunals, the rules are the same or very similar.

Impact on Council Departments

- 3.22 By continuing to not impose an End of Calculation Deduction, the impact of the changes on the customer and those services that support them has been negligible.
- 3.23 Should the decision be taken to increase the end of calculation deduction from 0% to a higher value then the subsequent increase in numbers and costs associated with recovery action, court action and bailiff activity will have considerable impact upon the customer facing sections at a time of increased demand due to welfare reform changes.

Discretionary Council Tax Reduction Scheme

- 3.24 Councils have the discretion to reduce the amount of council tax payable by granting locally defined discounts under provisions contained in Section 13A (1)(c) of the Finance Act 1992, hereinafter referred to as 'discretionary reduction'.

- 3.25 This allows for a discretionary reduction which can be used in relation to any individual case or by determining a class of case for which the charge should be reduced. The discount must be funded from the Council's Revenue Budget (General Fund) and can amount to 100% of the council tax charge.
- 3.26 The Council will exercise its discretionary power to reduce Council Tax by considering applications in accordance with the attached Discretionary Scheme document at Appendix A.
- 3.27 The Council will consider each application for a Discretionary Reduction taking into account the circumstances in each particular case with reference to –
- a) the extent of financial hardship;
 - b) the amount of income in excess of essential expenditure according to the needs in each particular case;
 - c) whether any Council Tax discounts, exemptions or reductions, and social security benefits, to which the liable person may be entitled have been applied for;
 - d) any capital or savings that the applicant is in possession of or has access to;
 - e) assets that can *reasonably* be realised and whether any effort has been made, or is being made, to sell, let or dispose of those assets in order to alleviate the financial hardship; and
 - f) any other relevant circumstances.
- 3.28 The discretionary scheme complements the Council Tax Reduction Scheme and is not intended to be a rule based scheme as it is discretionary in nature and will take a holistic view of an individual's circumstances.
- 3.29 Details of circumstances where a Discretionary Reduction will not be made are in paragraph 6 of the Discretionary Reduction Scheme document, which includes matters such as misrepresentation and failure to disclose a material fact.
- 3.30 Eligibility for a Discretionary Reduction is not limited to certain classes of persons. Should an additional need to determine a specific class of case to which Discretionary Reduction should be granted, a separate report will be brought to committee for consideration.

4 Implications

(a) Financial Implications

- 4.1 The transfer of Council Tax support from Central Government to Local Government was accompanied by a 10% reduction in funding. This was an identifiable amount in the first year of the scheme, but

changes to funding arrangements means that this is no longer the case.

- 4.2 From April 2013 the Council decided to utilise other Council Tax reforms that allowed billing authorities to increase revenue on certain empty dwellings and second homes as a means to meet the identifiable shortfall in funding arrangements.
- 4.3 It is now entirely for local authorities to decide how much they are prepared to spend on Council Tax Support, which is why Central Government allocations are not separately identifiable.

Total value of Council Tax Support Reductions

- 4.4 As at 5 December 2014, the total value of reductions awarded in 2014/15 was £6,341,380. This amount will be subject to small variations due to changes in entitlements during the remainder of the year. This is a reduction on expenditure for 2013/14.
- 4.5 Working age allowance and premiums, excluding those for disabilities, will not increase in 2015/16, therefore, together with a small decrease in caseload and a decrease in average awards indicate that there will be a further reduction in the total value of Council Tax Reduction for 2015/16.

Funding Arrangements

- 4.6 The Settlement Funding Assessment is the total sum of the local share of the Estimated Business Rates Aggregate and the Revenue Support Grant.
- 4.7 Any amount included for the provision of Council Tax Reduction schemes is not stated as a separate sum.
- 4.8 The Discretionary Reduction Scheme is fully funded from the Council's Revenue Budget (General Fund).
- 4.9 There are no transitional arrangements as there are no changes to the current scheme proposed.

(b) Staffing Implications

- 4.10 None identified.

(c) Equality and Poverty Implications

- 4.11 An equalities impact assessment was carried out when the scheme was set up and this was reviewed in 2014. A further review will be undertaken when uprating details are known.
- 4.12 The Scheme fully meets the Council's responsibilities to protect vulnerable groups including responsibilities under the Child Poverty Act 2010, the Disabled Persons' Act 1986, the Housing Act 1996, as

well as the public sector equality duty in section 149 of the Equality Act 2010.

(d) Environmental Implications

4.13 Nil.

(e) Procurement

4.14 Nil.

(f) Consultation and communication

4.15 A full consultation and communication strategy was included when the scheme was established and is not required as there are no proposed changes to the scheme.

(g) Community Safety

4.16 Nil.

5 Background Papers

Full details of Cambridge City Council's Council Tax Reduction Scheme can be found at:

<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/council-tax-reduction-scheme.pdf>

The scheme will be updated with 2015/16 rates and allowances when available.

6 Appendices

Appendix A attached

7 Inspection of papers

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

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Cambridge City Council Discretionary Council Tax Reduction Scheme

Preamble

Cambridge City Council makes the following scheme in exercise of the powers conferred by section 13A of the Local Government Finance Act 1992¹

Section 13A subsections (1)(c), (6) and (7) of the 1992 Act empower the Council, as billing authority for the City of Cambridge, to reduce the amount of council tax which a person is liable to pay in respect of any chargeable dwelling, any day (as determined in accordance with sections 10 to 13 of the 1992 Act) and in any case to such extent (or if the amount has already been reduced under section 13A(1)(a) of the 1992 Act, such further extent) as the Council thinks fit. This includes power to reduce the amount to nil.

¹ S.13A of the 1992 Act was substituted by s.10 of the 2012 Act in relation to financial years beginning on or after 1st April 2013

1. Citation, commencement and application

- (1) This scheme may be cited as the Cambridge City Council Discretionary Council Tax Reduction Scheme and comes into effect on the date this scheme is approved by the Council.
- (2) This scheme applies in relation to the billing authority known as Cambridge City Council.
- (3) This scheme applies in relation to council tax liability for the financial years beginning, but not restricted to, on or after 1st April 2015.
- (4) The scheme is without prejudice to the Council's powers under section 13A(1)(c) to consider applications which do not fit the scheme criteria or to set up other such schemes under Section 13A(1)(c) of the 1992 Act.

2. Interpretation

- (1) In this scheme –

“the 1992 Act” means the Local Government Finance Act 1992;

“the 2012 Act” means the Local Government Finance Act 2012;

“applicant” means the liable person or his representative who applies for a discretionary reduction under this scheme

“designated office” means the office at Cambridge City Council - Mandela House, 4 Regent Street, Cambridge, CB2 1BY

“discretionary reduction” means a reduction in council tax liability under this scheme;

“discretionary scheme” means the Cambridge City Council Discretionary Council Tax Relief Scheme;

“financial year” means 1st April to 31st March;

“reduction scheme” means the Cambridge City Council - Council Tax Reduction Scheme 2014 (Persons who are not Pensioners) and Cambridge City Council - Council Tax Reduction Scheme 2014 (Pensioners) and include any revisions or replacements of that scheme;

- (2) Unless the context requires otherwise, words and phrases in this scheme shall have the same meaning as in the 1992 Act and any regulations or orders made under the 1992 Act

3. Assistance under this Scheme

- (1) Subject to the following paragraphs of this scheme, the Council may, by approving a discretionary reduction, reduce to such further extent as it thinks fit the amount of council tax which a person is liable to pay in respect of a chargeable dwelling (as determined in accordance with sections 10 to 13 of the 1992 Act) -
 - (a) where the liable person is, or was, entitled to a reduction in the amount of council tax payable under the Council's reduction schemes, and
 - (b) it appears to the Council that the liable person is in need of further financial assistance in addition to the reduction to which that person is entitled under the Council's reduction schemes in order to meet his council tax liability, or
 - (c) in any particular case, where it appears to the Council that the liable person is in need of financial assistance under the discretionary scheme in order to meet his financial liability
- (2) There is no statutory right to a discretionary reduction; the Council will consider all applications for such a discretionary reduction in accordance with ordinary principles of good decision making, its duties to act fairly, transparently, reasonably and consistently

4. Amount and period of assistance under this Scheme

- (1) The amount of the discretionary reduction and the period for, or in respect of which, any such discretionary reduction is given is subject to the particular circumstances in any case.
- (2) The discretion in sub-paragraph (1) includes discretion to reduce to nil the amount of council tax which a person is liable to pay in respect of a chargeable dwelling (as determined in accordance with sections 10 to 13 of the 1992 Act).
- (3) The amount and period in sub-paragraph (2) is in respect of council tax liability for the financial year in which the application for a discretionary reduction is made.
- (4) Notwithstanding sub-paragraph 3, applications for a discretionary reduction in respect of a previous financial year will be considered in each particular case with reference to –
 - (a) the circumstances stated in paragraph 5, and
 - (b) there being good reasons as to why an application was not made at an earlier date, and

- (c) evidence and information being provided for the previous period that verifies the applicants financial circumstances at that time
- (5) In all cases, a discretionary reduction will end –
- (a) at such time as the applicants circumstances improve so as no longer be in need of additional financial assistance under this scheme;
 - (b) the applicant is no longer the liable person for the chargeable dwelling in which he resided at the time of the application for a discretionary reduction;
 - (c) the applicant enters into any form of formal insolvency, or
 - (d) the end of the financial year –
 - (i) in which a discretionary reduction is awarded; or
 - (ii) in respect of which the a discretionary reduction is awarded;
- whichever is soonest.

5. Circumstances to be taken into account by the Council in exercising discretion under the Discretionary Scheme

The Council will consider each application for a discretionary reduction taking into account the circumstances in each particular case with reference to –

- (a) the extent of financial hardship;
- (b) the amount of income in excess of essential expenditure according to the needs in each particular case;
- (c) whether –
 - (i) any discounts, exemptions or reductions, and
 - (ii) social security benefits,to which the liable person may be entitled have been applied for;
- (d) any capital or savings that the applicant is in possession of or has access to;
- (e) assets that can reasonably be realised and whether any effort has been made, or is being made, to sell, let or dispose of those assets in order to alleviate the financial hardship; and
- (f) any other extenuating circumstances.

6. Circumstances for which a discretionary reduction will not be made by the Council under the Discretionary Scheme

Without prejudice, the Council reserve the right under the discretionary scheme not to approve a discretionary discount in the following circumstances –

- (a) subject to paragraph 4(4), council tax liability in respect of a previous financial year;
- (b) in any case, council tax liability in respect of any financial year prior to 1st April 2013;
- (c) an increase in council tax liability due to a decrease in entitlement to a reduction as a consequence of –
 - (i) any delay or failure to notify the Council of a relevant change in circumstances, or
 - (ii) a failure to provide evidence and information requested; or
 - (iii) whether fraudulently or otherwise, any misrepresentation or failure to disclose a material fact;
- (d) Any financial penalty imposed as a consequence of –
 - (i) any delay or failure to notify the Council of a relevant change in circumstances, or
 - (ii) a failure to provide evidence and information requested; and
- (e) any costs incurred as a consequence of enforcement action

7. Applications

- (1) An application to the Council for a discretionary reduction must be made –
 - (a) in writing; or
 - (b) by means of an electronic communication in accordance Part 5 of the Council's reduction scheme; or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- (2) An application may be made by –
 - (a) the liable person or persons; or

- (b) in the case of a couple with joint and several liability, either member of the couple; or
 - (c) in the case of a person who is unable to act; an appointee in accordance with paragraph 25 of the Council's reduction scheme; or
 - (d) where it appears reasonable in the circumstances of a particular case, a person acting on behalf of the liable person or persons
- (3) Where the Council has received an application for a discretionary reduction, and the applicant would otherwise be entitled to a reduction under the Council's reduction schemes, that application may also be treated as an application under that reduction scheme;
- (4) Where –
- (a) the Council has made a determination in accordance with its reduction schemes under section 13A(1)(a) of the 1992 Act in relation to a class of case in which liability is to be reduced; and
 - (b) a person in that class would otherwise be entitled to a reduction under its schemes, that person's application for a reduction under the Council's reduction schemes may also be treated as an application for a discretionary reduction under section 13A(1)(c) of the 1992 Act.

8. Decisions

The Council shall give a person who has applied for a discretionary reduction or who has requested a review of a decision made in respect of that person's application, written notice of its decision in respect of that application or review and the reasons for that decision within 14 days or as soon as is reasonably practicable thereafter.

9. Adjustments to the amount of or removal of a discretionary reduction

Where, due to a change of circumstances or other correction, the amount of discretionary reduction that an applicant is awarded is adjusted or removed, the Council will issue a revised Demand Notice and adjust payments of council tax liability in accordance with the Council Tax (Administration & Enforcement) Regulations 1992

10. Duty to notify of a change of circumstances

- (1) An applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time –

- (a) between the making of an application for a discretionary reduction and a decision being made on it, or
- (b) after the decision is made (where the decision is a discretionary reduction is approved) including at any time while the applicant is in receipt of such a discretionary reduction

(2) The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a discretionary reduction (a “relevant change of circumstances”) by giving notice to the authority –

(a) in writing; or

(b) by telephone –

(i) where the authority has published a telephone number for that purpose; or

(ii) in any case where the authority determines that notice may be given by telephone; or

(c) by any other means which the authority agrees to accept in any particular case,

within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(3) The duty imposed on a person by sub-paragraph (1) does not extend to notifying -

(a) changes in the amount of council tax payable to the authority;

(b) subject to paragraph 5, changes in the age of the applicant or that of any member of his family;

(c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority’s scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

(4) For the purposes of sub-paragraph (3)(c) “relevant benefit” means income support, an income-based jobseeker’s allowance, an income-related employment and support allowance, universal credit or state pension credit (guarantee credit).

(5) An applicant is required by sub-paragraph (1) to notify the Council of any change in the composition of his family arising from the fact that a person who

was a member of his family is now no longer such a person because he has ceased to be a child or young person.

11. Provision of information

- (1) A person applying for or receiving a discretionary reduction shall provide the Council with sufficient information and documentary evidence that is reasonably required by the Council to support –
- (a) the grounds of application for a discretionary reduction;
 - (b) a changes in circumstances which may be relevant to the continuance of a discretionary reduction;
 - (c) as the case may be, particulars of the grounds for a review; or
 - (d) such other information as may be specified by the Council within such time as the Council thinks appropriate in each case

12. Reviews initiated by the Council

- (1) The Council may review any decision it has made with respect to the making, adjusting or ending of a discretionary reduction in such circumstances as it thinks fit.
- (2) Without prejudice to the generality of sub-paragraph (1), the Council may, on any such review, recover any council tax already remitted because of a discretionary reduction where the Council has determined that:-
- (a) whether fraudulently or otherwise, any person has misrepresented, or failed to disclose, a material fact and, as a consequence of that misrepresentation or failure to disclose, a discretionary reduction has been given; or
 - (b) an error has been made when determining the application for a discretionary reduction, and as a consequence of that error, a discretionary reduction has been made which would not have been made but for that error.

13. Reviews initiated by a person applying for a discretionary reduction

- (1) A person who is aggrieved by a decision of the authority which affects -
- (a) the person's entitlement to a discretionary reduction under its scheme, or
 - (b) the amount of any reduction to which that person is entitled,

may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

(2) The authority must -

(a) consider the matter to which the notice relates;

(b) notify the aggrieved person in writing -

(i) that the ground is not well founded, giving reasons for that belief; or

(ii) that steps have been taken to deal with the grievance, stating the steps taken.

(3) Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

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

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

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

Wards affected: All Wards

MONEY TRANSMISSION (BANKING) CONTRACT RENEWAL REPORT

Key Decision

1. Executive summary

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

2. Recommendations

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

3. Background

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

4. Implications

(a) **Financial Implications**

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

(b) **Staffing Implications**

None envisaged.

(c) **Equal & Poverty Implications**

No negative impacts identified.

(d) **Environmental Implications**

No environmental implications are expected.

(e) **Procurement**

The procurement options available to the Council are:-

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

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

(f) **Consultation and communication**

None required.

(g) **Community Safety**

No community safety implications.

5. Background Papers

5.1 None were used in preparing this report.

6. Inspection of Papers

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

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Author's Phone Number:	01223 - 458153
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To: The Executive Councillor for Finance & Resources:
Councillor George Owers

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

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

Wards affected: All Wards

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

Key Decision

1. Executive summary

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

2. Recommendations

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

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

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

3. Background

3.1 Treasury Management Activities

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

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

3.2 Borrowing Policy

Borrowing Policy Statement

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

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

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

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

Current Debt as at 31st March 2014

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

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

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

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

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

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

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

3.3 Minimum Revenue Provision Policy

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

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

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

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

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

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

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

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

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

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

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

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

5. The Council's Prudential and Treasury Management Indicators

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

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

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

6. Annual Investment Strategy

6.1 Introduction

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

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

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

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

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

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

Other UK Building Societies

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

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

6.2 Other Authorised Financial Instruments Currently Available

Custodian of Funds

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

Certificates of Deposit (CDs)

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

Money Market Funds (MMF)

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

Municipal Bonds Agency (MBA)

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

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

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

6.3 Creditworthiness Policy

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

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

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

7. Deposits

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

8. Interest Receipts

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

9. Interest Rates and Treasury Limits

9.1 Interest Rate Update provided by Capita

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

10. Implications

(a) Financial Implications

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

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

11. Background Papers

11.1 None were used in preparing this report.

12. Appendices

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

13. Inspection of Papers

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

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

Treasury Management Annual Investment Strategy

Current Counterparty List

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

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

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

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

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

Sources of the Council's Deposits.

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

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

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

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

Source:- Audited Statement of Accounts 2013/14

The HRA accounts for around 50% of reserves deposited.

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

Introduction

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

Interest rates

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

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

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

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Probable 2014/15 £'000	Estimate 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000
PRUDENTIAL INDICATORS				
Capital expenditure				
- General Fund	19,792	22,221	2,353	3,170
- HRA	37,955	27,876	32,065	28,398
Total	57,747	50,097	34,418	31,568
Incremental impact of capital deposit decisions on:				
Band D Council Tax (City element)	0.00	0.00	0.00	0.00
Average weekly housing rent	0.00	0.00	0.00	0.00
Capital Financing Requirement (CFR) as at 31 March				
- General Fund	1,161	3,965	3,965	3,965
- HRA	214,748	214,748	221,194	225,569
Total	215,909	218,713	225,159	229,534
Change in the CFR	0	2,804	6,446	4,375
Deposits at 31 March	97,600	104,000	113,400	124,500
External Gross Debt	213,572	216,376	222,822	227,197
Ratio of financing costs to net revenue stream				
-General Fund	(3.15%)	(3.66%)	(5.48%)	(6.50%)
-HRA	18.45%	18.13%	18.65%	15.91%
Total	15.30%	14.47%	13.17%	9.41%

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

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

Treasury Management – Glossary of Terms and Abbreviations

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

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

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To: Executive Councillor for Strategy & Transformation:
Councillor Lewis Herbert

Report by: Chief Executive, Director of Customer and Community
Services, Director of Environment, Director of Business
Transformation and Head of Finance

Relevant scrutiny
committee: Strategy and Resources
Scrutiny Committee 19 January 2015

Wards affected: All Wards

Strategy and Resources – Strategy & Transformation Portfolio Revenue and Capital Budget Proposals for 2014/15 to 2018/19

Key Decision

1. Executive summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2015/16 which will be considered at the following meetings:

Date	Committee	Comments
19 January 2015	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
22 January 2015	The Executive	Budget amendment may be presented
13 February 2015	Strategy & Resources	Consider any further amendments including opposition proposals
26 February 2015	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes consideration of any recommendations concerning the review of charges and project appraisals for schemes in the capital plan for this portfolio.

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

- a) There are none requiring formal approval within this Portfolio (so no Appendix A).

Revenue:

- b) Consider the revenue budget proposals as shown in Appendix B.

Capital:

- c) Consider the capital budget proposals as shown in Appendix C.
- d) Delete some schemes from the Capital Plan as shown in Appendix C.
- e) There are no project appraisals requiring approval (so no Appendix D).
- f) Adjust capital funding for items 2 (c) to 2 (e) as appropriate.

3. Background

- 3.1 At its meeting on 6 November 2014, Council gave initial consideration to the budget prospects for the General Fund for 2015/16 and future years in the Mid-Year Financial Review (MFR) 2014.
- 3.2 The overall Budget Strategy Report (BSR) to Strategy & Resources Scrutiny Committee on 19 January 2015 will include a review of all the factors relating to the overall financial strategy that were included in the MFR.
- 3.3 The report to The Executive on 22 January 2015 may include details of the Government's Final Settlement for 2015/16. The announcement is likely to be made shortly after the conclusion of the consultation period, which ends in January 2015.
- 3.4 Further work may be required on detailed budgets so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2015/16 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by the Executive at its meeting on 22 January 2015.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2014/15 Budget £	2015/16 Budget £	2016/17 Forecast £
Savings:			
Increased Income	-	-	-
Programme Office	-	199,800	(191,090)
Savings	-	(110,800)	(110,800)
Total	-	89,000	(301,890)
Bids:			
Unavoidable Revenue Pressures	-	-	-
Reduced Income	-	-	-
Total	-	-	-
Net (savings)/bids	-	89,000	(301,890)

External Bids	-	-	-
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Priority Policy Fund (PPF) Bids	-	31,000	31,000
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Capital

- 3.6 The 2014 Mid-Year Financial Review proposed a review of the capital plan to address its size and complexity. A number of concerns were identified, including:
- Capacity to deliver projects to time, cost and quality;
 - Dependency on revenue funding; and
 - Inclusion of items, such as unallocated funds, projects at an early stage of development, and items more properly treated as small enhancements or maintenance spend.
- 3.7 Phase 1 of the review examined the current plan in order to release internal funding (e.g. DRF, R&R, capital receipts, etc), by identifying projects that are not yet ready for delivery, are no longer required, or are not true capital projects. This will make the plan more deliverable.
- 3.8 The funding identified will be released into General Fund reserves where it will be available for use on current priorities.
- 3.9 The review has also piloted a method of prioritising capital spending. Table 2 summarises, and Appendix C sets out in detail, any schemes for this portfolio that are recommended for closure, deletion or require further development, and the funding released as a result.

- 3.10 The Council now maintains two lists of projects which may become capital proposals in due course. The hold list contains projects that have been approved in principle but are awaiting funding. A new list, the projects under development list, has been set up following Phase 1 of the capital plan review. It lists projects which are subject to feasibility studies and outline project planning, including timescales, milestones and indicative costings. When ready, these projects will be proposed for funding and approval in line with revised capital processes and procedures.

Table 2: Overall Capital Proposals (see Appendix C)

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Capital Deletions	(700,000)	-	-	-	-
Capital Bids	-	-	-	-	-
Net Capital Bids	(700,000)	-	-	-	-

Public Consultation

- 3.11 The 2014 Budget Consultation was undertaken by MEL Research Ltd on behalf of Cambridge City Council in September 2014 and published in November 2014. The main method of collecting information was through an interactive online programme "YouChoose".
- 3.12 Details of the results of the survey will be published on the Council's website.

4. Implications

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

(a) Financial Implications

Financial implications of budget proposals are summarised in the Budget-Setting Report 2015/16.

(b) Staffing Implications

See text above.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the Council's Budget Setting Report will be submitted to the Executive at its meeting on 22 January 2015. Individual Equality Impact Assessments have been conducted to support this, and will be available on the Council's website.

(d) **Procurement Implications**

Any procurement implications will be outlined in the Budget Setting Report 2015/16.

(e) **Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
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(f) **Consultation and Communication Implications**

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/current-consultations>

(g) **Community Safety Implications**

Any community safety implications will be outlined in the Budget Setting Report 2015/16.

5. Background papers

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

- Budget Setting Report 2015/16
- Mid-Year Financial Review (MFR) 2014
- Individual Equality Impact Assessments

6. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Scale of Fees & Charges	
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	✓
D	Project Appraisal	

7. Inspection of papers

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

Authors' Name: John Harvey
Authors' Phone Number: 01223 - 458143
Authors' Email: John.harvey@cambridge.gov.uk

2015/16 Budget - General Fund

Page 1 of 5

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

Strategy & Transformation

PROG3558	Savings resulting from the introduction of a self-service telephony and electronic enquiry services	0	(50,000)	(50,000)	(50,000)	(50,000)	Clarissa Norman	Nil
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A self-service telephony and electronic enquiry services solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the Customer Service Centre and speaking to an advisor. The proposal will release skilled advisors from simple, repetitive calls leading to cashable savings, improved productivity and processing times and increase capacity to deal with the more complex urgent enquiries.

PROG3561	Savings resulting from the introduction of a self-service voice activated switchboard	0	(15,000)	(15,000)	(15,000)	(15,000)	Clarissa Norman	Nil
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A self-service switchboard solution will provide Cambridge City Council customers with the choice to access Council services without the need to go through the switchboard. This will be quicker and more seamless than the current system. The proposal will also release capacity and staff savings in the contact centre and improve call duration times.

PROG3616	Sustainable Tourism Model- Destination Management Organisation	0	40,000	0	0	0	Emma Thornton	Nil
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This proposal is for the estimated set up costs associated with setting up a Destination Management Organisation (DMO) for the future delivery of tourism for Cambridge and the surrounding area. It includes IT (£20K), Property issues (£5K), Corporate ID and branding (£5K), possible VAT issues (£5k) and legal costs (£5k). [Linked to PROG3617]

PROG3617	Sustainable Tourism Model- Destination Management Organisation	0	49,800	(5,090)	(17,390)	(17,390)	Emma Thornton	Nil
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This proposal supports the development of a Destination Management Organisation (DMO), which is a business led partnership model for the future delivery of tourism for Cambridge and the surrounding area. This move provides the opportunity to increase investment in tourism, safeguarding the visitor economy as a key economic driver for the city and the surrounding area and to reduce the cost to the City Council. The target launch for the DMO would be January 2016. This proposal excludes the savings which will be delivered as a result of the DMO project, through the Support Services Review so the overall saving from the DMO will be significantly higher. [Linked to PROG3616]

PROG3681	Transfer of arts and recreation provision to a charitable trust (Cambridge Live)	0	112,000	48,000	55,000	(15,000)	Debbie Kaye	Nil
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2015/16 Budget - General Fund

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

Net revenue cost / (saving) arising from the creation of the Arts Trust (Cambridge Live). The creation of the trust model will allow the council to review over £625,000 of central costs in the Support Services Review as part of the business transformation programme and will also maintain this cultural offer in the city. Substantial central cost savings will arise as a result although direct service delivery savings of some £50,000 per annum are anticipated from Year 5. [Linked to URP3682].

PROG3686	Support Services Review	0	(103,000)	(368,000)	(526,000)	(600,000)	Ray Ward	Nil
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As the Council moves to other ways of delivering services and our own support service needs reduce, the Council needs to review its support service functions and reduce our costs relating to property, people, technology and other supplies and services. We are undertaking a phased approach to this project as we are at the early stages of developing and implementing alternative service delivery models.

Phase 1 of this project will focus on reducing costs from ICT and transactional finance activity; Phase 2 will focus on removing costs from business support activity and other support functions and Phase 3 will review all remaining areas particularly those required to initially support the Transformation Programme. [Linked to PROG3661, PROG3662, PROG3746]

PROG3687	ICT Shared Service	0	(75,000)	(113,000)	(150,000)	(188,000)	Ray Ward	Nil
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The shared ICT service with South Cambridgeshire District Council and Huntingdonshire District Council will produce savings by reviewing management arrangements; delivering a package of IT standardisation and reducing external expenditure. This proposal represents the General Fund element of the total saving. [Linked to PROG3709 - HRA element of saving.]

PROG3688	Legal Shared Service	0	(23,000)	(23,000)	(23,000)	(23,000)	Ray Ward	Nil
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The shared Legal service with South Cambridgeshire District Council and Huntingdonshire District Council will produce savings through a number of measures including reviewing the current legal personnel structure, ensuring that we assign activity more efficiently; reviewing our use of external legal advice in light of the expertise and capacity that exists across the shared service and reviewing the current legal support administrative arrangements, bringing together the systems and processes of all three councils into one consistent approach. This proposal represents the General Fund element of the total saving. [Linked to PROG3710 - HRA element of saving.]

PROG3746	Programme Office and Central Support Services	0	314,000	435,000	383,000	100,000	Ray Ward	?
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Programme Office and Central Support Services costs arising as a result of the transformation programme. These are the costs of delivering the projects that have been identified within the Business Transformation Programme. This is made up of delivery cost (such as the additional costs of financial, HR, legal and business analysis support) and the costs of change within specific projects such as the Support Services Review. [Linked to PROG 3661, PROG3662, PROG 3686]

PROG3747	Shared Planning Service [1]	0	0	(50,000)	(50,000)	(50,000)	Patsy Dell	Nil
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Development of a shared Planning Service with South Cambridgeshire District Council and Huntingdonshire DC will enable efficiency and effectiveness in service delivery and savings in management and service delivery to be realised

2015/16 Budget - General Fund

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

PROG3748	Shared Planning and Building Control (2) New Model for Building Control	0	(50,000)	(50,000)	(50,000)	(50,000)	Patsy Dell	Nil
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The Building Control Service will be part of the shared service transformation programme. Savings have been identified in 2015/16 ahead of full development of the new model of service delivery. These savings are exclusive of corporate overheads and repair and renewal fund savings being addressed elsewhere in the budget process. Further savings are anticipated once the new model of service delivery has been implemented but these require further work and approval of the new model before they can be confirmed.

Total Programme in Strategy & Transformation

0	199,800	(191,090)	(443,390)	(908,390)
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Total Programme

0	199,800	(191,090)	(443,390)	(908,390)
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2015/16 Budget - General Fund

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

Strategy & Transformation

S3528	End financial contribution to Cambridgeshire Constabulary	0	(51,000)	(51,000)	(51,000)	(51,000)	Lynda Kilkelly	Nil
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Cambridgeshire Constabulary asked districts across the county in 2005 for a funding contribution towards the cost of Police Community Support Officers. Other districts ceased these payments several years ago. There is no longer any specific benefit linked to this funding and the Constabulary have made recent changes to PCSO numbers without reference to district councils. After discussions with both Cambridge police and the Commissioner's office, it is proposed to make this saving and reinvest the majority in continuing Neighbourhood Resolution Panels and new initiatives to tackle domestic violence, including working to obtain 'White Ribbon' status for the Council as part of the Council's community safety ongoing commitments of over £300,000 each year.

S3529	Reduction in Safer City Revenue Grants	0	(20,800)	(20,800)	(20,800)	(20,800)	Lynda Kilkelly	Nil
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This saving assumes that the one-off reduction in Safer City revenue grants, included as part of the 2014/15 budget process, is continued on an ongoing basis, and reflects the reduced level of take up that has been experienced during 2014/15 to date.

S3547	Chief Executive's Department administrative savings	0	(20,000)	(20,000)	(20,000)	(20,000)	Andrew Limb	Nil
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Combination of a number of small administrative items from the Chief Executive's Department, including the Corporate Strategy and Corporate Policy cost centres, deliverable due to efficiencies in the service, salary budget adjustments and reduction in contingency provision.

S3551	Members' Allowances - saving arising from inflationary uplift in budget while allowance scheme frozen	0	(14,000)	(14,000)	(14,000)	(14,000)	Gary Cliff	Nil
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This saving is possible as Councillors have not taken an increase in their allowances over a period of years in which the budget has increased with inflation.

S3559	Removing 5k from the Customer Service Centre training budget	0	(5,000)	(5,000)	(5,000)	(5,000)	Clarissa Norman	Nil
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Cambridge City Council will no longer be members of the Customer Contact Association (CCA) in 2015. We will therefore not be attending the annual conference and other seminars and courses provided by the association throughout the year. £5k can therefore be removed from the budget.

Total Savings in Strategy & Transformation

0 (110,800) (110,800) (110,800)

2015/16 Budget - General Fund

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

Total Savings		0	(110,800)	(110,800)	(110,800)	(110,800)		
Report Total		0	89,000	(301,890)	(554,190)	(1,019,190)		

2015/16 Budget - General Fund

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

Strategy & Transformation

PPF3539	Continuation and expansion of the Neighbourhood Resolution Panel initiative	0	21,400	21,400	21,400	21,400	Lynda Kilkelly	Nil
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This bid, as with bid PPF3540, is also offset from savings offered in community safety functions and would enable the continuation of the employment of a Neighbourhood Resolution Panel Co-ordinator and an expansion of this service which works closely with the police. The work of the NRPs helps with ASB and community tensions in more deprived areas where ASB can be more prevalent.

PPF3540	Additional funding for the Community Safety Partnership Support Officer / Domestic Abuse Co-Ordinator	0	9,600	9,600	9,600	9,600	Lynda Kilkelly	Nil
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The bid would allow the expansion of the domestic abuse co-ordination functions, to deliver the white ribbon campaign. Savings have been offered in other areas of community safety functions which offset the costs of this bid and bid PPF3539. The domestic abuse work will assist with delivering targets in areas of low income with high domestic abuse.

Total PPF Bids in Strategy & Transformation	0	31,000	31,000	31,000	31,000	31,000		
Total PPF Bids	0	31,000	31,000	31,000	31,000	31,000		
Report Total	0	31,000	31,000	31,000	31,000	31,000		

2015/16 Budget - General Fund

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

Strategy & Transformation

C3703	Keep Cambridge Moving Fund Contribution [Delete from Plan] [Earmarked Reserves]	(700,000)	0	0	0	0	n/a	Nil
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The funds for transport schemes related to A14 mitigation are unlikely to be required until 2020; earmarking the funds so far in advance is not an appropriate use of resources. However the Council is committed to the funding of a £1.5m scheme when planning approvals are considered and a full and detailed options appraisal is complete.

Total Capital Bids in Strategy & Transformation

(700,000)	0	0	0	0
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Total Capital Bids

(700,000)	0	0	0	0
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Report Total

(700,000)	0	0	0	0
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To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: Chief Executive, Director of Customer and Community Services, Director of Business Transformation, Director of Environment and Head of Finance

Relevant scrutiny committee: Strategy and Resources
Scrutiny Committee 19 January 2015

Wards affected: All Wards

Strategy and Resources – Finance and Resources Portfolio Revenue and Capital Budget Proposals for 2014/15 to 2018/19

Key Decision

1. Executive summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2015/16 which will be considered at the following meetings:

Date	Committee	Comments
19 January 2015	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
22 January 2015	The Executive	Budget amendment may be presented
13 February 2015	Strategy & Resources	Consider any further amendments including opposition proposals
26 February 2015	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes consideration of any recommendations concerning the review of charges and project appraisals for schemes in the capital plan for this portfolio.

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

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

Revenue:

- b) Consider the revenue budget proposals as shown in Appendix B.

Capital:

- c) Consider the capital budget proposals as shown in Appendix C.
- d) Delete some schemes from the Capital Plan as shown in Appendix C.
- e) Adjust capital funding for items 2 (c) to 2 (d) as appropriate.

3. Background

- 3.1 At its meeting on 6 November 2014, Council gave initial consideration to the budget prospects for the General Fund for 2015/16 and future years in the Mid-Year Financial Review (MFR) 2014.
- 3.2 The overall Budget-Setting Report (BSR) to Strategy & Resources Scrutiny Committee on 19 January 2015 will include a review of all the factors relating to the overall financial strategy that were included in the MFR.
- 3.3 The report to The Executive on 22 January 2015 may include details of the Government's Final Settlement for 2015/16. The announcement is likely to be made shortly after the conclusion of the consultation period, which ends in January 2015.
- 3.4 Further work may be required on detailed budgets so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2015/16 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by the Executive at its meeting on 22 January 2015.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2014/15 Budget £	2015/16 Budget £	2016/17 Forecast £
Savings:			
Increased Income	-	(406,090)	(686,000)
Programme Office	-	-	-
Savings	-	(115,000)	(115,000)
Total	-	(521,090)	(801,000)
Bids:			
Unavoidable Revenue Pressures	-	-	-
Reduced Income	-	37,000	169,000
Total	-	37,000	169,000
Net (savings)/bids	-	(484,090)	(632,000)

External Bids	-	54,000	14,000
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Priority Policy Fund (PPF) Bids	-	34,500	34,500
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Non-Cash Limit Items	-	6,500,000	1,000,000
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Capital

- 3.6 The 2014 Mid-Year Financial Review proposed a review of the capital plan to address its size and complexity. A number of concerns were identified, including:
- Capacity to deliver projects to time, cost and quality;
 - Dependency on revenue funding; and
 - Inclusion of items, such as unallocated funds, projects at an early stage of development, and items more properly treated as small enhancements or maintenance spend.
- 3.7 Phase 1 of the review examined the current plan in order to release internal funding (e.g. DRF, R&R, capital receipts, etc), by identifying projects that are not yet ready for delivery, are no longer required, or are not true capital projects. This will make the plan more deliverable.
- 3.8 The funding identified will be released into General Fund reserves where it will be available for use on current priorities.

- 3.9 The review has also piloted a method of prioritising capital spending. Table 2 summarises, and Appendix C sets out in detail, any schemes for this portfolio that are recommended for closure, deletion or require further development, and the funding released as a result.
- 3.10 The Council now maintains two lists of projects which may become capital proposals in due course. The hold list contains projects that have been approved in principle but are awaiting funding. A new list, the projects under development list, has been set up following Phase 1 of the capital plan review. It lists projects which are subject to feasibility studies and outline project planning, including timescales, milestones and indicative costings. When ready, these projects will be proposed for funding and approval in line with revised capital processes and procedures.

Table 2: Overall Capital Proposals (see Appendix C)

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Capital Deletions	(153,000)	(661,000)	(254,000)	(194,000)	0
Capital Bids	0	8,515,000	0	0	0
Net Capital Bids	(153,000)	7,854,000	(254,000)	(194,000)	0

Public Consultation

- 3.11 The 2014 Budget Consultation was undertaken by MEL Research Ltd on behalf of Cambridge City Council in September 2014 and published in November 2014. The main method of collecting information was through an interactive online programme "YouChoose".
- 3.12 Details of the results of the survey will be published on the Council's website.

4. Implications

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

(a) Financial Implications

Financial implications of budget proposals are summarised in the Budget-Setting Report 2015/16.

(b) Staffing Implications

See text above.

(c) **Equality and Poverty Implications**

A consolidated Equality Impact Assessment for the Council's Budget Setting Report will be submitted to the Executive at its meeting on 22 January 2015. Individual Equality Impact Assessments have been conducted to support this, and will be available on the Council's website.

(d) **Procurement Implications**

Any procurement implications will be outlined in the Budget Setting Report 2015/16.

(e) **Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
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(f) **Consultation and Communication Implications**

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/current-consultations>

(g) **Community Safety Implications**

Any Community Safety Implications will be outlined in the Budget Setting Report 2015/16.

5. Background papers

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

- Budget Setting Report 2015/16
- Mid-Year Financial Review (MFR) 2014
- Budget Papers 2015/16
- Individual Equality Impact Assessments

6. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Scale of Fees & Charges	✓
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	✓
D	Project Appraisal	X

7. Inspection of papers

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

Authors' Name: Linda Thompson, John Harvey
Authors' Phone Number: 01223 - 458144, 01223 - 458143
linda.thompson@cambridge.gov.uk
Authors' Email: john.harvey@cambridge.gov.uk

Review of Charges

Conference/exhibition letting charges for Guildhall

DAILY LETS:-	Charges 2014/15 *	Charges 2015/16 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£124.76	£127.88	2.50%
Evening/Weekends/Bank Holidays (per hour)	£124.76	£127.88	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£249.51	£255.75	2.50%
Evening/Weekends/Bank Holidays (per hour)	£149.70	£153.44	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£124.76	£127.88	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£47.53	£48.72	2.50%
Evening, after 5pm (per hour) + day rate	£47.53	£48.72	2.50%

* All charges are subject to VAT.

Review of Charges
Standard letting charges for Guildhall

DAILY LETS:-	Charges 2014/15 *	Charges 2015/16 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£77.23	£79.16	2.50%
Evening/Weekends/Bank Holidays (per hour)	£77.23	£79.16	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£124.76	£127.88	2.50%
Evening/Weekends/Bank Holidays (per hour)	£77.23	£79.16	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£124.76	£127.88	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£47.53	£48.72	2.50%
Evening, after 5pm (per hour) + day rate	£47.53	£48.72	2.50%

* All charges are subject to VAT.

2015/16 Budget - General Fund

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

Finance & Resources

II3527	Forecast additional net income reflecting expected rent reviews, lease renewals and lettings from existing portfolio	0	(30,000)	(30,000)	(30,000)	(30,000)	Dave Prinsep	Nil
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Net increase in income expected reflecting rent reviews, lease renewals and lettings likely in next financial year on the existing property portfolio. Increase reflects the additional income above the inflationary increase.

II3548	Renewable Heat Incentive (RHI) Payments for the solar thermal system at Abbey Pools	0	(6,000)	(6,000)	(6,000)	(6,000)	David Kidston	Nil
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In 2013/14 two solar thermal units were installed at Abbey Pools to provide a sustainable source of energy to heat water at the pools. Under the Government's Renewable Heat Incentive (RHI), the Council receives an income for every kWh of heat generated by the two systems.

II3663	One off increase in DWP Housing Benefits and DCLG Council Tax Support Administration Subsidy grants	0	(120,090)	0	0	0	Alison Cole	Nil
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The provisional DWP Housing Benefits and DCLG Council Tax Support Administration Subsidy Grants for financial year 2015/16 are £120,090 higher than forecast.

II3665	Income from Commercial Property Acquisition Programme	0	0	(400,000)	(400,000)	(400,000)	Dave Prinsep	Nil
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This programme will allow the council to purchase additional commercial properties to bring in more income to support frontline services.

Anticipated additional income following the investment in property to refocus the Council's commercial property portfolio, funded from reserves. [Linked to proposals C3664, R13666 and NCL3691].

II3673	Increase in investment Income	0	(250,000)	(250,000)	(250,000)	(250,000)	Stephen Bevis	Nil
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Increase in investment income anticipated from placing £10m in CCLA Property Fund. This is the projected impact on General Fund (the HRA also receiving a benefit) based on an expectation of approximately 4.5% return compared to current average returns around 0.65%.

Total Increased Income in Finance & Resources

Page 193

0 (406,090) (686,000) (686,000) (686,000)

2015/16 Budget - General Fund

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

Total Increased Income	0	(406,090)	(686,000)	(686,000)	(686,000)
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Report Total	0	(406,090)	(686,000)	(686,000)	(686,000)
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2015/16 Budget - General Fund

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

Finance & Resources

S3524	Legal Services. Saving on books and publications through joint purchasing arrangement	0	(5,000)	(5,000)	(5,000)	(5,000)	Simon Pugh	Nil
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Saving through consortium purchasing arrangements of legal reference sources set up by Public Law Partnership, of which the City Council's legal service is a member.

S3525	Legal Services: Deletion of unfilled post (0.4 fte)	0	(20,000)	(20,000)	(20,000)	(20,000)	Simon Pugh	Nil
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The post-holder left the Council in February 2014. We believe we can absorb the work within existing resources.

S3543	Revenues and Benefits supplies and services efficiency savings	0	(19,000)	(19,000)	(19,000)	(19,000)	Alison Cole	Nil
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Reduced supplies and services costs following efficiency review

S3549	Intranet Technical Support	0	(3,000)	(3,000)	(3,000)	(3,000)	James Nightingale	Nil
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The move to a content management system for Intranet has reduced the requirement for technical support from Northgate, allowing a small saving.

S3550	Reduce IT consultancy spend	0	(20,000)	(20,000)	(20,000)	(20,000)	James Nightingale	Nil
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ICT retains a small consultancy budget, which funds investigations into new ICT requirements and solutions, with the potential to unlock greater savings elsewhere in the Council. It has been difficult to manage sufficient projects to fully utilise this, and so it is proposed to release some as a saving.

S3553	Delete sustainable city projects budget	0	(4,080)	(4,080)	(4,080)	(4,080)	David Kidston	Nil
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This budget line was created to provide a projects budget for the sustainability officer to carry out promotional and other work. The sustainability officer post changed over time and the previous promotional work largely ceased. The post was deleted earlier this year, and there is therefore no continuing need for this projects budget.

S3627	Savings from reduced costs for Head of Internal Audit	0	(2,500)	(2,500)	(2,500)	(2,500)	Bridget Bishop	Nil
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Slight reduction in costs of Head of Internal Audit following South Cambs District Council joining shared arrangements in July 2013.

2015/16 Budget - General Fund

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

S3645	Printing Budget Reduction	0	(30,000)	(30,000)	(30,000)	(30,000)	James Nightingale	+L
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Reduce the amount spent on printing, and colour printing in particular.

S3647	Legal Services: Additional saving on staff costs	0	(11,420)	(11,420)	(11,420)	(11,420)	Simon Pugh	Nil
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The salary budget makes allowance for incremental progression. As most Legal Services' employees have reached the top of their grade there is only a limited need to allow for this. The saving represents the surplus element.

Total Savings in Finance & Resources	0	(115,000)	(115,000)	(115,000)	(115,000)			
Total Savings	0	(115,000)	(115,000)	(115,000)	(115,000)			
Report Total	0	(115,000)	(115,000)	(115,000)	(115,000)			

2015/16 Budget - General Fund

Page 1 of 1

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

Finance & Resources

RI3526	Clay Farm Commercial Units	0	0	80,000	0	0	Dave Prinsep	Nil
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The current budget forecast includes income from the planned Clay Farm Commercial Units from 2016/17. The units will not be completed until 2017/18 at the earliest and so the previous planned income will not be receivable until the 2017/18 financial year.

RI3569	Unavoidable loss of rental income at Mill Road Depot	0	37,000	37,000	37,000	0	Althea Mejias	Nil
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Following an assessment by Property Services of the potential for commercial letting at Mill Road Depot, it is unlikely that the budget for 2015/16 will be achieved. Significant lettable areas require some upgrading before they can be occupied and there are only limited other opportunities to create additional external income pending the outcome of the accommodation review and future occupancy of the Mill Road site. In the interim it is proposed that projected rental incomes be reduced to more realistic and achievable levels for the next 3 years.

RI3666	Commercial property portfolio - loss of interest	0	0	52,000	52,000	52,000	Dave Prinsep	Nil
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The proposed investment in the Commercial Property Acquisition Programme will reduce the funds available for investment under our Treasury Management strategy resulting in a loss of interest on the amount invested. [Linked to proposals C3664, I13665 and NCL3691].

Total Reduced Income in Finance & Resources		0	37,000	169,000	89,000	52,000		
Total Reduced Income		0	37,000	169,000	89,000	52,000		
Report Total		0	37,000	169,000	89,000	52,000		

2015/16 Budget - General Fund

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

Finance & Resources

X3657	Citizen's Advice GP-based outreach pilot project	0	25,000	0	0	0	Andrew Limb	Nil
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The project involves the placement of a qualified advisor from Cambridge CAB in East Barnwell General Practice for three days per week to run an advice session for clients who have been referred by GPs based in the practice. The GPs will offer the advice as part of their consultations to people who present with issues that affect their well-being. This is a pilot project that, if successful, could be used to leverage funding in future from other public sector bodies such as the National Health Service NHS). [Fund from Sharing Prosperity Fund, SPF].

X3658	Digital skills in deprived areas	0	15,000	0	0	0	Andrew Limb	Nil
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Working with the County Council, helping people to get the online skills they need to support the anti-poverty strategy (i.e. general digital access, including to public services) but also to focus on job search and online applications. [Fund from Sharing Prosperity Fund, SPF].

X3683	Rental Support for Cambridge City Foodbank	0	14,000	14,000	0	0	Dave Prinsep	Nil
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Proposal to provide rental support of £14,000 p.a. to Cambridge City Foodbank to enable them to increase their management capability and expand their services locally from their Cambridge base. This is to be funded from the Sharing Prosperity Fund for 2015/16 and 2016/17 after which it will be reviewed. The Foodbank currently operates from Orwell House/Furlong as its base with 6 distribution centres, operating purely through voluntary staff and public/corporate donations. This funding will enable them to develop their services and relieve financial pressure due to uncertain and fluctuating funding sources. [Fund from Sharing Prosperity Fund, SPF]

Total External Bids in Finance & Resources		0	54,000	14,000	0	0		
Total External Bids		0	54,000	14,000	0	0		
Report Total		0	54,000	14,000	0	0		

2015/16 Budget - General Fund

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

Finance & Resources

PPF3706	Trade Union Facilities Agreement	0	34,500	34,500	34,500	34,500	Deborah Simpson	Nil
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Trade Union branch secretaries do not currently have the time to fully contribute to the multiple transformation processes that are ongoing. This proposal will enhance the trade union facilities agreement by allowing additional support to HR and the council as staff face uncertainty and challenges arising from the transformation programme, will ease the transition and allow full participation, thereby ensuring the morale is maintained and the process takes account of input from staff.

Total PPF Bids in Finance & Resources	0	34,500	34,500	34,500	34,500	34,500		
Total PPF Bids	0	34,500	34,500	34,500	34,500	34,500		
Report Total	0	34,500	34,500	34,500	34,500	34,500		

2015/16 Budget - General Fund

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

Finance & Resources

NCL3696	Creation of an "Invest for Income" Fund	0	6,500,000	1,000,000	500,000	0	Caroline Ryba	Nil
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In order to maximise the return from our capital, it is proposed to place funding released by the reviews of earmarked reserves and the capital plan into an earmarked reserve to fund income-generating investments. A formal 'Invest for Income' process will be set up to develop proposals, with the assumption that investments opportunities will make commercial returns of at least 5%. They may include investment in general fund residential property, energy generation, and other opportunities.

Total Non-Cash Limit Items in Finance & Resources

0	6,500,000	1,000,000	500,000	0
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Total Non-Cash Limit Items

0	6,500,000	1,000,000	500,000	0
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Report Total

0	6,500,000	1,000,000	500,000	0
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2015/16 Budget - General Fund

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

Finance & Resources

C3664	Commercial Property Acquisition Programme	0	8,000,000	0	0	0	Dave Prinsep	Nil
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This programme will allow the council to purchase additional commercial properties to bring in more income to support frontline services.

Investment in property will refocus the Council's commercial property portfolio, funded from reserves. It is anticipated that the Council will gain not only a revenue yield of at least 5% per annum but also from capital value growth. [Linked to proposals I13665, R13666, NCL3691 and C3737].

C3726	Localisation of Council Tax - Implementation costs [Close in Plan]	(9,000)	0	0	0	0	Alison Cole	Nil
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Scheme completed so funding returned to reserves.

C3727	Corporate Document Management (DIP & EDRM) [Close in Plan]	(144,000)	0	0	0	0	James Nightingale	Nil
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Scheme completed so funding returned to reserves.

C3733	ICT Infrastructure Programme PR020 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]	0	(90,000)	(160,000)	(110,000)	0	James Nightingale	Nil
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In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Repairs and Renewals Funding back into reserves].

C3734	Admin Buildings Asset Replacement Programme PR023 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]	0	(138,000)	(74,000)	(62,000)	0	Will Barfield	Nil
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In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Repairs and Renewals Funding back into reserves].

2015/16 Budget - General Fund

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

C3735	Commercial Properties Asset Replacement Programme PR024 [Transfer uncommitted from Capital Plan to Projects Under Development (PUD)] [R and R]	0	(433,000)	(20,000)	(22,000)		0 Will Barfield	Nil
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In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Repairs and Renewals Funding back into reserves].

C3737	Commercial Property Portfolio [Existing Capital Receipts]	0	515,000	0	0		0 Dave Prinsep	Nil
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Existing Capital receipts which were previously earmarked for property investment to be added to the amount provided for from reserves [Linked to proposal C3664].

Total Capital Bids in Finance & Resources	(153,000)	7,854,000	(254,000)	(194,000)	0
Total Capital Bids	(153,000)	7,854,000	(254,000)	(194,000)	0
Report Total	(153,000)	7,854,000	(254,000)	(194,000)	0



To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources 19 Jan 2015

Wards affected: All Wards

Budget-Setting Report (BSR) 2015/16

Key Decision

1. Executive summary

Overview of Budget-Setting Report

- 1.1 At this stage in the 2015/16 budget process the range of assumptions on which the Mid-Year Forecast (MFR) 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 the budget considerations.
- 1.2 The Budget-Setting Report (BSR), which is attached, provides an overview of the review of the key assumptions. It includes the detailed revenue bids and savings and sets out the key parameters for the detailed recommendations and budget finalisation to be considered at the meeting of the Executive on 22 January 2015. The Executive will make final budget recommendations to Council, for consideration at its meeting on 26 February 2015.
- 1.3 The recommendations that follow refer to the strategy outlined in the BSR and all references to Appendices, pages and sections relate to the Budget-Setting Report (Version 1 – Strategy & Resources).

2. Recommendations

The Executive Councillor is recommended to:

General Fund Revenue Budgets: [Section 5, page 28 refers]

- a) Agree any recommendations for submission to the Executive in respect of:
- Revenue Pressures shown in Appendix B(a) and Savings shown in Appendix B(b).
 - Priority Policy Fund (PPF) Bids as shown in Appendix B(c).
 - Bids to be funded from External or Earmarked Funds as shown in Appendix B(d).
 - Non Cash Limit items as shown in Appendix B(e).
- b) Formally confirm delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) as set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2015/16 as set out in Section 4 [page 26 refers].

Note that the Cambridgeshire Police and Crime Panel will meet on 28 January 2015 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 12 February 2015 and Cambridgeshire County Council will meet on 17 February 2015 to consider the amounts in precepts to be issued to the City Council for the year 2015/16.

Treasury Management (see separate report).

Other Revenue:

- d) Delegate to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- e) Approve an amendment to the remit for the “Sharing Prosperity Fund” so that the revised remit (changes are underlined) is:

Sharing Prosperity Fund Formal Remit:

To provide resources to fund fixed-term and one-off projects and proposals that support the interim and final objectives of the council's Anti-Poverty Strategy, namely:

- 1) Helping people on low incomes to maximise their income and minimise their costs
- 2) Making the move into work easier
- 3) Helping low income families with the cost of raising a child
- 4) Breaking the link between poor health and poverty
- 5) Ensuring that vulnerable older people get the services that they need and reducing the social isolation they can experience
- 6) Helping people with high housing costs and improving the condition of people's homes
- 7) Working in partnership to tackle wider barriers to employment and engagement (e.g. transport, learning and skills)

In accordance with the Council's delegation and approval processes outlined in Part 3 Section 9.3 of the Council Constitution, approval of allocations to be made from the Sharing Prosperity Fund will differ depending on the amount of funding requested and whether it is capital or revenue.

Projects costing £15,000 or less will be approved by the Head of Corporate Strategy, subject to endorsement by The Anti-Poverty Strategy Project Board.

Projects costing more than £15,000 will be considered in the first instance by The Anti-Poverty Strategy Project Board and then submitted for approval by the Executive Councillor for Finance and Resources.

Projects over £75,000 will be reviewed at Strategy and Resources Scrutiny Committee before approval, subject to the need to make urgent decisions.

Where a project includes capital spending of more than £15,000, capital approval processes are also required.

Capital: [Section 7, page 35 refers]

Capital Plan:

- f) Agree any recommendations to the Executive in respect of the proposals outlined in Appendix D(a) for approval to include in the Capital Plan, or put on the Projects Under Development or Hold Lists, including any additional use of revenue resources required.
- g) Agree the revised Capital Plan as set out in Appendix D(c), the Projects Under Development and Hold lists set out in Appendices D(d) and D(e) respectively and the Funding as set out in Section 7, page 41 for the General Fund.

General Fund Reserves:

- (i) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 6, report page 34 and Section 8, page 46 refers].

3. Implications

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

(a) Financial Implications

The financial implications are outlined in the attached Budget-Setting Report 2015/16.

(b) Staffing Implications

See text above

(c) Equality and Poverty Implications

A consolidated Equalities Impact Assessment is included at Appendix F in the attached Budget Setting Report 2015/16. Individual Equality Impact Assessments have been conducted to support this, and will be available on the Council's website.

(d) Procurement Implications

Any procurement implications will be outlined in the Budget Setting Report 2015/16.

(e) Environmental Implications

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

(f) Consultation and Communication Implications

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/current-consultations>

(g) Community Safety Implications

Any community safety implications will be outlined in the Budget Setting Report 2015/16.

4. Background papers

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

- Mid-Year Financial Review (MFR) 2014
- Budget Papers 2015/16
- Individual Equalities Impact Assessments

5. Appendices

In this Report:

- Budget-setting Report Version 1, January 2014 (covering 2014/15 to 2019/10)

6. 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

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To: Executive Councillor for Finance and Resources:
Councillor George Owers
Report by: Philip Taylor – Senior Estates Surveyor
Relevant scrutiny Strategy & Resources Scrutiny 19/1/2015
committee: Committee
Wards affected: East Chesterton

**GRANT OF NEW LEASE – COMBINED COLLEGES BOAT HOUSE,
LOGAN’S WAY, CHESTERTON, CAMBRIDGE**
Non-key

1. Executive Summary

- 1.1 The Council owns the freehold of a 0.36 ha (0.9 acre) site off Logan’s Way which is currently let to Selwyn College for use as a boat house.
- 1.2 Selwyn College in conjunction with Churchill College, King’s College and The Leys School, known as the Combined Colleges, want to undertake a comprehensive re-development of the existing boat house and have approached the Council regarding the grant of a longer lease to secure funding.
- 1.3 Terms have been agreed in principle with the Combined Colleges for the existing lease to be surrendered with a simultaneous grant of a new 99 year lease, subject to part of the site being sub-let to Cambridge Rowing Association, who want to develop their own facilities.
- 1.4 The length of the proposed lease requires Executive Councillor approval.

2. Recommendations

The Executive Councillor is recommended:

- a) To agree to a surrender of the existing lease and grant of a new 99 year lease to the Combined Colleges on the terms set out in the report.
- b) To delegate authority to the Head of Property Services to finalise lease terms.

3. Background

- 3.1 The Combined Colleges have met with the Council on a number of occasions over the past few years to discuss their proposals for the re-development of the site.
- 3.2 The current ground lease to Selwyn College is for a term of 75 years from 29th September 1969, at a current rent of £14,000 per annum, last reviewed in 2011, with rent reviews every 14 years.
- 3.3 The lease term has 30 years unexpired, which prohibits funding and the level of investment proposed. The Combined Colleges are seeking a re-gear whereby the existing lease is surrendered with a simultaneous grant of a new 99 year lease on modernised terms.
- 3.4 A premium of £20,000 will be payable and the rent increased to £16,000 per annum with five yearly RPI increases. The Combined Colleges will pay the Council's legal costs with completion estimated in early 2015.
- 3.5 Negotiations have been conditional upon the Combined Colleges granting an under-lease of part of the site to Cambridge Rowing Association, who intend to sub under-let part of their new boat house to Cam Rowers. Under-lease and sub-under-lease terms have been agreed directly between all three parties.
- 3.6 Both developments have obtained planning permission under references 14/0696/FUL & 14/0657/FUL and the Combined Colleges want to commence works in April 2015. Cambridge Rowing Association's development will follow once joint funding arrangements have been finalised with Cam Rowers.
- 3.7 The proposed terms provide the Council with an enhanced rental income with a modern rent review pattern and simplified RPI increases. It enables the Combined Colleges to redevelop with new boat house facilities and make better use of the site with an additional boat house for Cambridge Rowing Association and Cam Rowers. This will provide them with a permanent home for the benefit of members and the wider community.

4. Implications

(a) Financial Implications

Under the terms of the current lease the rent is £14,000 per annum, which was last reviewed in 2011. The lease has 30 years unexpired and the next rent review is in 2025.

The proposed terms will see the rent increased to £16,000 per annum with RPI increases every 5 years. A £20,000 premium is to be paid on completion to offset the diminution in the freehold value of the Council's reversionary interest as the lease is being extended by 69 years. The Council's legal costs are to be paid by the Combined Colleges and completion is estimated in early 2015.

The Council's financial interest will be maintained, with the revenue stream secured for a longer period with regular inflation linked rent reviews.

(b) Staffing Implications

There are no direct staffing implications associated with this report.

(c) Equality & Poverty Implications

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

(d) Environmental Implications

There are no direct environmental implications associated with this report. The environmental impact of any development will have been dealt with as part of the planning application process and any conditionality within the subsequent consent.

(e) Procurement

There are no procurement implications associated with this report.

(f) Consultation and Communication

A consultation exercise with nearby residents was undertaken as part of the planning application process by the Combined Colleges, Cambridge Rowing Association and Cam Rowers.

(g) Community Safety

The community safety implications associated with this development will be considered by the Combined Colleges, Cambridge Rowing Association and Cam Rowers during the construction phase and operational lifetime of the boat houses.

5. Background Papers

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

Lease dated 12th November 1969 between The Mayor Aldermen and Citizens of the City of Cambridge City Council and The Master Fellows & Scholars of Selwyn College In the University of Cambridge.

Both planning applications are available to view through the planning portal under references 14/0696/FUL & 14/0657/FUL.

6. Appendices

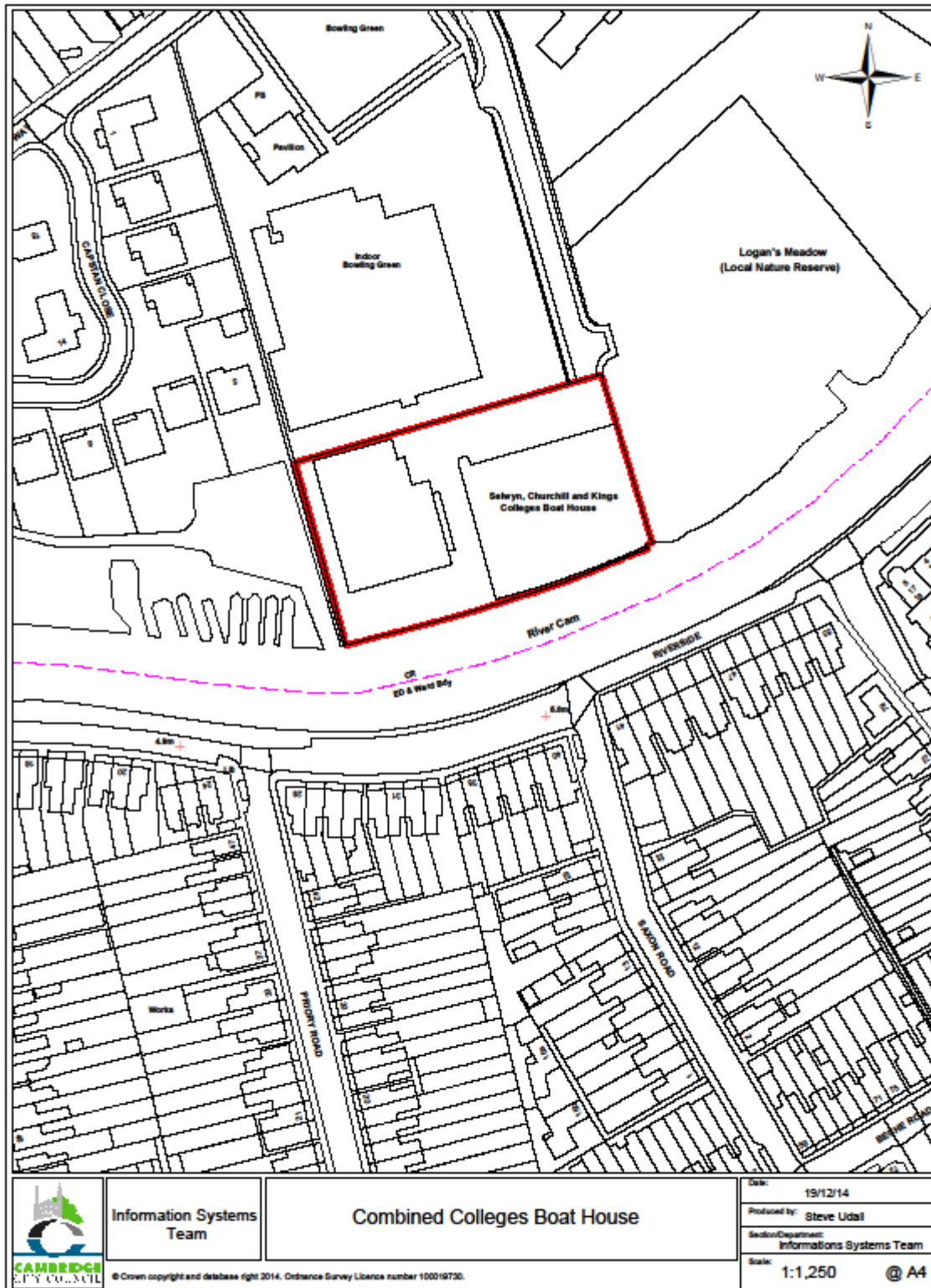
Appendix A – Site Plan, Logan’s Way, Chesterton, Cambridge

7. Inspection of Papers

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

Author’s Name: Philip Taylor
Author’s Phone Number: 01223 – 457431
Author’s Email: philip.taylor@cambridge.gov.uk

APPENDIX A



Layer: J:\WORKING
 Template: J:\Projects\ArcGIS_Template\portrait_a4
 Plan ref: N:\PROPERTY\GIS\GENERAL\PDFs\boat_house

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To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: Dave Prinsep, Head of Property Services

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 19/1/2015

Wards affected: All

COMMERCIAL PROPERTY INVESTMENT

Key Decision

1. Executive summary

- 1.1 The Council's commercial property portfolio has consistently produced good rates of return compared to Treasury Management investments over the past few years. This reflects recent exceptionally low bank interest rates on cash investments and that the Cambridge commercial property market has proved resilient.
- 1.2 The Budget Setting Report for 2015/16 recommends the allocation of £8m for investment in commercial property to generate additional income of £400,000 p.a. from 2016/17.
- 1.3 Alternatives to direct investment in commercial property could be a property fund or investing in our existing property portfolio. For the reasons set out in the report, it is recommended that the funding available is invested directly in acquiring new property.
- 1.4 The Council previously set aside £515,000 for commercial property investment and this may be pooled with the newly allocated funding.

2. Recommendations

The Executive Councillor is recommended that:

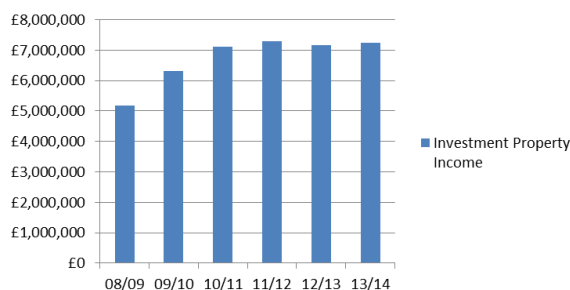
- 2.1 The Council allocates £8m for investment in acquiring commercial property, subject to the 2015/16 Budget Setting Report being approved;
- 2.2 Authority is delegated to the Head of Property Services to acquire commercial property up to £8,515,000 (inclusive of acquisition costs) in consultation with the Executive Councillor for Finance and

Resources, the Chair and Opposition Spokesperson for Strategy & Resources Scrutiny Committee and the Head of Finance.

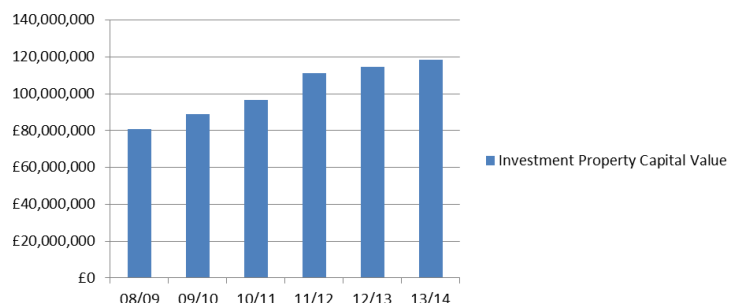
3. Background

- 3.1 The Council owns significant commercial property interests including city centre and local shopping centres, industrial estates, retail units, offices, public houses, industrial land and leisure facilities. The portfolio produces a significant income to the Council which is used to deliver the Council's other priorities.
- 3.2 Cash held by the Council is invested in accordance with the Treasury Management policy so that it is relatively risk free, available when required and produces a return on investment. This cash comprises the Council's reserves, revenue received but not yet spent and planned future capital expenditure needs.
- 3.3 Due to recent low interest rates, these cash investments produce relatively low returns. The Executive Councillor for Finance and Resources at the Strategy & Resources Scrutiny Committee on 8th July 2014 approved that up to £10m of Treasury Management funds could be invested in a special local authority property fund managed by CCLA to achieve higher returns.
- 3.4 The Council's commercial property portfolio consistently produces returns above cash investments. The charts below provide an overview of the performance of the commercial property portfolio. It is likely that 2014/15 will show an increase in capital value above the previous year due to current demand for such property in Cambridge.

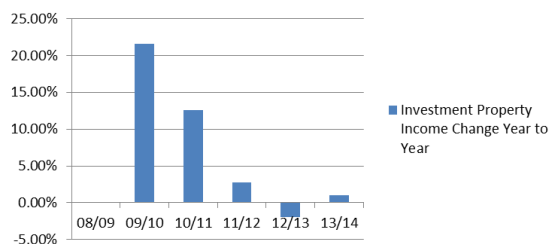
Investment Property Income



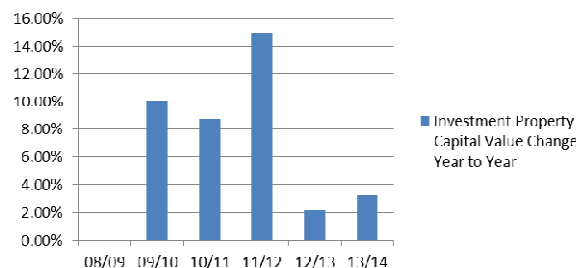
Investment Property Capital Value



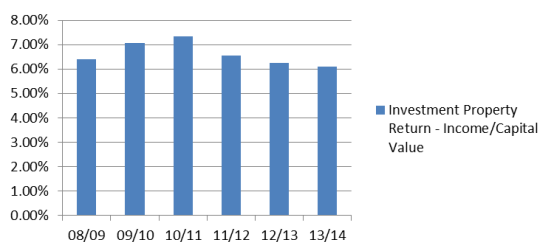
Investment Property Income Change Year to Year



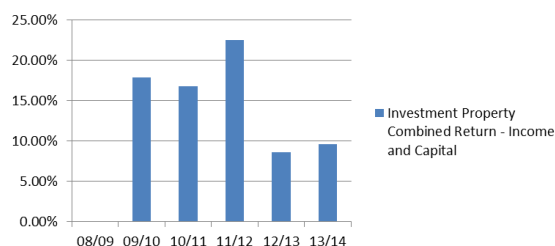
Investment Property Capital Value Change Year to Year



Investment Property Return - Income/Capital Value



Investment Property Combined Return - Income and Capital



The above figures are based on the Council's Annual Accounts for the relevant years.

- 3.5 Cash investments generate lower returns as they are low risk, easy to access (liquid), are relatively short term, and transaction costs are low. Property investments generate higher returns but are riskier, it is more difficult to get money out (illiquid), are held for the longer term and have high transaction costs.
- 3.6 Investment in commercial property should be for at least 5 years but commercial property can be sold to release funds when required. Properties to be sold can be determined at that time with an opportunity to reshape the commercial property portfolio by disposing of underperforming properties or those that do not meet the Council's objectives.
- 3.7 Agents will be appointed to advise on and acquire suitable commercial property investments. The Council's objectives will be agreed with the agents and they will review the current portfolio so that any investment complements it.
- 3.8 Delegation is sought by the Head of Property Services to invest in commercial property. The property market is very competitive and success depends on timely decisions. The Head of Property Services will consult with the Executive Councillor for Finance and Resources, the Chair and the Opposition Spokesperson for Strategy and

Resources Scrutiny Committee and the Head of Finance before acquiring a property. Any acquisition will be reported to a later Strategy and Resources Scrutiny Committee.

- 3.9 An alternative to direct property investment is a property fund where multiple investors' money is invested in a variety of properties. This reduces risk by having a diverse property portfolio in terms of location, property type (e.g. retail, industrial), tenants and size of individual acquisitions. It also enables relatively larger acquisitions than may otherwise be the case for an individual investor as each investor's capital is pooled. Returns are usually on the basis of dividends and return of capital when the units are sold. The value of the units can go up or down depending upon how well the properties perform.
- 3.10 The CCLA recently gave a presentation about its property fund, "The Local Authorities' Property Fund", for Treasury Management purposes as proposed in the "Annual Treasury Management Report 2013/14" to Strategy & Resources on 14th July 2014. Further detail about the CCLA fund is included at Appendix A to give an overview of a typical fund. This is a relatively small fund in terms of financial value.

4. Implications

(a) Financial Implications

- 4.1 The Budget Setting Report for 2015/16 recommends that £8m be made available in 2015/16 for investment in commercial property with an income expectation of £400,000 p.a. ongoing from 2016/17. The Council previously ring-fenced £515,000 for reinvestment in commercial property and so this is available in addition.
- 4.2 Commercial property investments produce a range of returns depending upon the property market's perceived risk related to the income stream and capital values. Prime property in Cambridge can achieve initial yields (rent as proportion of capital value) as low as 3.5% reflecting very secure income, possible rental growth and hence potential capital value increases. The proposed income target of £400,000 p.a. reflects an overall initial yield of 5.3% when costs of acquisition are taken into account.
- 4.3 An acquisition may give rise to VAT implications. In order to protect the Council's Partial Exemption limit, a transaction would be treated as a Transfer of a Going Concern. This takes any transaction outside the scope of VAT with the exception that Stamp Duty Land Tax is payable on a VAT inclusive price.

(b) **Staffing Implications**

- 4.4 It is proposed to appoint agents to acquire a suitable property investment as they offer investment expertise not held internally and the fees for this are included in the above costs. Similarly, agents would probably be used for a disposal but these costs are not reflected above as it is assumed that these would be met from the proceeds of sale at that time.
- 4.5 The day to day management of an acquired property would probably be dealt with by the existing Property Services team within existing capacity on the basis that any acquisition would require low management input and was relatively local.

(c) **Equality and Poverty Implications**

- 4.6 An Equality Impact Assessment has not been conducted as this will be an acquisition of tenanted commercial property to generate an income stream. The accessibility of the property will be one of the factors to be considered in deciding between investments.

(d) **Environmental Implications**

- 4.7 Until a property is identified, it is difficult to assess the environmental impact. It is likely that the acquisition would be at a comparable or better Energy Performance Certificate rating than the existing commercial portfolio. The acquisition is therefore likely to have no climate change impact or a low positive impact.

(e) **Procurement**

- 4.8 It is intended to appoint an agent to acquire a property on behalf of the Council. Officers will comply with the Council's Procurement Policy in appointing an agent. As this is fairly specialised, agents will be expected to demonstrate good knowledge of the Cambridge and surrounding areas investment market, that they are frequently active in this area on behalf of clients and that they understand the Council's requirements in relation to an investment and how this might fit within the existing portfolio.

(f) **Consultation and communication**

- 4.9 This is a specialised area and so no public consultation has taken place. Internal consultation has taken place with Finance and Procurement.

(g) Community Safety

4.10 There are no Community Safety implications.

5. Background papers

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

Cambridge City Council Annual Statement of Accounts
The Local Authorities' Property Fund Scheme Information by CCLA
Bidwells' Retail and Leisure Data Book Autumn 2014
Bidwells' Business Space Data Book Autumn 2014

6. Appendices

Appendix A - The CCLA Local Authorities' Property Fund Profile

Appendix B – Confidential Appendix

7. Inspection of papers

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

Author's Name: Dave Prinsep
Author's Phone Number: 01223 - 457318
Author's Email: dave.prinsep@cambridge.gov.uk



The Local Authorities' Property Fund

Fund Profile – 30 June 2014

A specialist Property Fund available only to Local Authority Investors.

Price at 30.06.14

Net asset value

Income units

254.25p (xd)

Gross dividend yield

4.45%*

* Based upon the net asset value and historic annual dividend of 11.3183p, the gross income less management expenses.

Strong governance

The trustee is the Local Authorities' Mutual Investment Trust (LAMIT). LAMIT is controlled by representatives of the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Officers' Superannuation Committee and investors in the Fund. As trustee, LAMIT approves the investment strategy and the risk profile of the portfolio and reviews performance.

Unique accounting advantages

Unlike other property funds or direct property purchases, the Fund does not count as capital expenditure for English and Scottish Local Authorities. Dividends are treated as revenue income, but the General Fund is protected from fluctuations in the unit price. The investment is treated as an available for sale financial asset.

Meeting your needs

Suitable for Local Authorities with long term funds to invest to achieve an attractive income and capital growth over time.

The Property Fund is designed to achieve long term capital growth and a rising income from investments in the commercial property sector.

The portfolio is actively managed with a focus on asset selection. The intention is to boost returns by lease and tenant management and property improvement.

The Fund has a broad sector spread, with prudent diversification to keep risks under control.

Asset allocation by investment category 30 June 2014



Total fund size £173 million
Borrowing facility £11 million

Property portfolio details

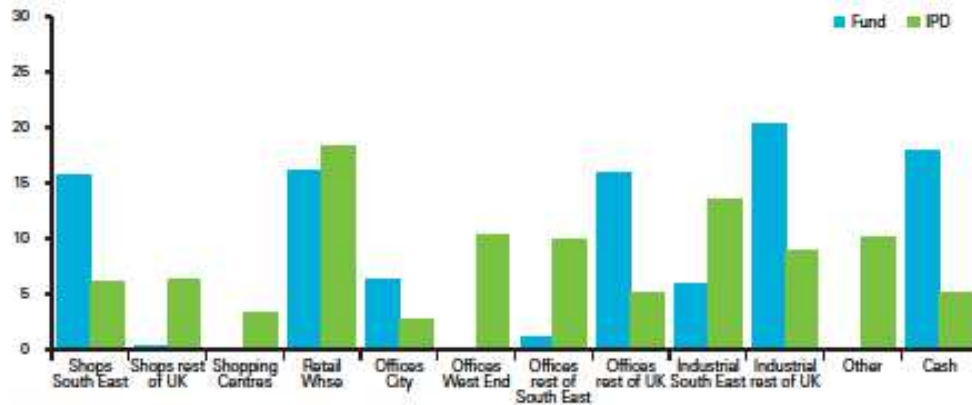
Top 5 properties = 35.6% of the portfolio

Top 5 tenants = 37.5% of rental income

Weighted unexpired lease term 6.0 years

Vacancy rate 7.2%

Asset allocation by region and category 30 June 2014



Fund Data and IPD Other Balanced Property Funds Index data as at 30 June 2014

Top ten property holdings – total 49.0%

London, Fenchurch Street
 Lutterworth, Magna Park
 Wakefield, Albion Mills Retail Park
 Chichester, East Street
 Nottingham, Castle Boulevard
 Bishops Stortford, Stansted Road
 Aberdeen, Fyvie Buildings
 London, Picketts Lock
 Birmingham, Junction Six
 London, Threadneedle Street

Market update

The improvement in the market environment has continued and has broadened out. Although prime and trophy assets remain well supported, the strongest gains are now being seen from good quality secondary assets where investors are attracted by the superior yields and growth prospects. Transaction volumes have risen and competition for good stock is intense - an indication that valuations will continue to improve for the medium term. An encouraging development has been early indications of an improving occupier market; although void rates remain sticky, there is evidence of rising rents in a number of areas.

Fund activity

Cash flow into the fund has continued at a high level and this has been matched by a series of acquisitions of good quality assets with attractive yields. Three properties have been added to the portfolio, an office block in Solihull, on a long lease with a 7% yield, an office property in Aberdeen with an income yield expected to increase to over 8% on lease renewal in three years time and an office in Nottingham, again on an attractive lease and with strong income growth potential. At the end of the quarter three other purchases were near to completion, these will effectively consume the current cash balance.

Fund news

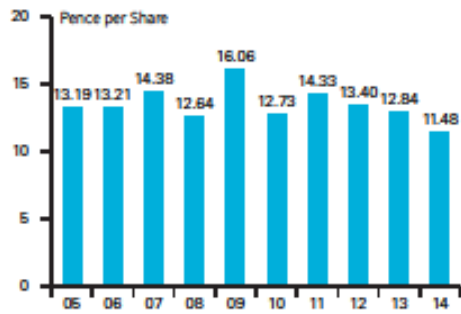
The total return for the quarter to June 30th was 4.2%, this brings the total for the past year to 17.7%. The equivalent benchmark return was 4.2% and 15.2%. The quarterly income payment was 2.9962p per unit.

Outlook

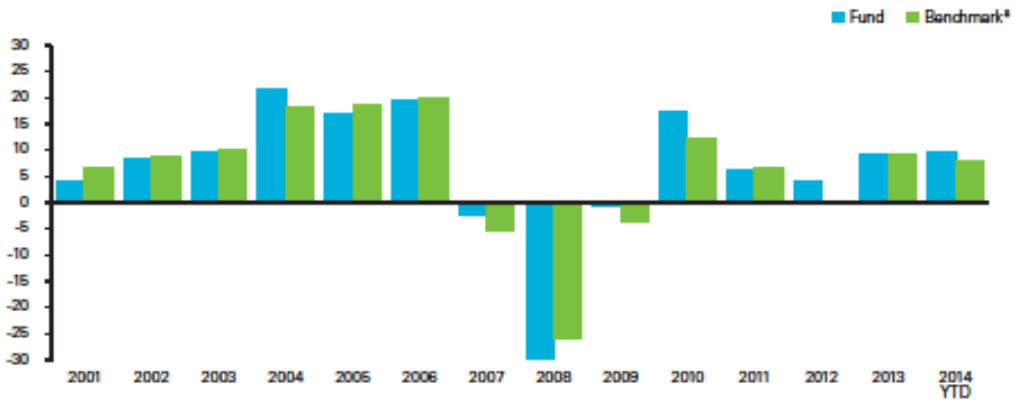
The uptrend in the sector has strengthened in recent months, we expect this positive momentum to continue for the balance of 2014 and into 2015. Over this period the valuation gap between trophy and top prime assets and the rest of the sector will continue to narrow due to outperformance by the latter group. We expect the nascent improvement in occupier markets to strengthen, bringing void rates down, if gradually and giving a boost to rental growth. Rental growth will be the next major influence on sector returns.

Dividend history of The Local Authorities' Property Fund

Years to 31 March



Calendar performance versus the benchmark



* The benchmark is the IPD Other Balanced Property Funds Index.

Source: CCLA – Please note that past performance is no guarantee of future returns.

Long term performance

Total return performance (net) 12 months to end of June

	2014	2013	2012	2011	2010
The Local Authorities' Property Fund	+17.7%	+2.6%	+6.9%	+7.9%	+28.7%
Benchmark*	+15.2%	+1.4%	+3.8%	+7.9%	+19.0%

* The benchmark is the IPD Other Balanced Property Funds Index.

Source: CCLA – Please note that past performance is no guarantee of future returns.

Costs and charges

Our policy is always to keep costs and charges low - we believe that high costs and charges have a very damaging cumulative effect on investor returns. We negotiate to keep expenses low and monitor dealing costs closely. We have no entry or exit fees, the only income taken by the investment manager is the annual charge of 0.65%.

Key facts

Bid/offer spread	73%
Dealing day	Month end valuation day*
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dividend payment dates	End January, April, July & October
Annual management charge	0.65% (deducted from income)
Unit types available	Income
Sedol number	0521664
ISIN number	GB0005216642

Income payments are now made gross of tax.

Any outstanding historic tax reclaims should be addressed to:

Glynis Free
Specialist Repayment Team
7 South
Ty - Glas
Cardiff CF14 8HR
Telephone 03000 580618 9.30am - 1pm

* Instructions for the issue or redemption of units must be received by CCLA no later than 5pm on the business day prior to the Valuation Date. If the valuation day is a Bank Holiday the dealing day will be the previous working day. Units are only realisable on each monthly dealing date and redemptions may not be readily realisable; a period of notice not exceeding six months may be imposed for the redemption of units.

CCLA INVESTMENT MANAGEMENT LTD

Senator House
85 Queen Victoria Street
London EC4V 4ET

Client Service
Freephone: 0800 022 3505
Fax: 0844 561 5128
clientservices@ccla.co.uk
www.ccla.co.uk

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Important information

Investors are not certain to make profits; losses may be made. Any forward looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated.

The Fund is an unregulated collective investment scheme established under a Scheme approved by H M Treasury under Section 11 of the Trustee Investments Act 1961 and is subject to provisions of a Trust Deed dated 6 April 1972 and a supplemental Trust Deed dated 13 September 1978. The Fund operates as an open-ended Fund under Part IV of the schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001.

CCLA Investment Management Limited (registered in England No. 2183088 at the office below) is authorised and regulated by the Financial Conduct Authority and is the manager of the Local Authorities Property Fund.



To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: Head Of Finance

Relevant scrutiny
committee: Strategy & 19/1/2015
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

GENERAL DEBTS - BAD DEBTS FOR WRITE-OFF

Not a Key Decision

NOT FOR PUBLICATION: An appendix of the report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive summary

The purpose of this report is to inform the Executive Councillor and Members of the Scrutiny Committee of amounts that are deemed not to be collectable and require passing for write-off. The amounts relate to general income.

This report outlines the items recommended for write-off in the financial year ending 31st March 2015.

2. Recommendations

The Executive Councillor is recommended to write-off 2 debts totalling £26,398.45 as summarised in the exempt 'Appendix A' to this report.

3. Background

Officers have concluded that there is no further practicable recovery action available to the Council for the recovery of this amount.

4. Implications

(a) Financial Implications

The Council maintains a provision for the write off of bad debts as a consequence of such circumstances as insolvency of a customer. In some cases bad debts are written back to the originating service provider's budget and may result in a variance at the year-end.

Provision for the £22,747.55 doubtful debt (detailed in Exempt Appendix A) was made in the Housing Revenue Account in 2013/14, as part of the year end closedown process.

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

N/A

(c) Equality and Poverty Implications

No

(d) Environmental Implications

N/A

(e) Procurement

N/A

(f) Consultation and communication

N/A

(g) Community Safety

N/A

5. Background papers

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

N/A

6. Appendices

Exempt Appendix A: Schedule of debts to be written off

7. Inspection of papers

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

Author's Name: Karl Tattam
Author's Phone Number: 01223 458161
Author's Email: karl.tattam@cambridge.gov.uk

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