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Cambridge City Council

THE EXECUTIVE

To: Committee Members: Councillors Herbert (Chair), O'Reilly (Vice-Chair), Blencowe, Johnson, Owers, Price and Roberts

Despatched: Wednesday, 14 January 2015

Date: Thursday, 22 January 2015

Time: 6.00 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Glenn Burgess

Direct Dial: 01223 457013

AGENDA

This meeting is open to any member of the Council who wishes to ask questions of the Executive on items included on this agenda. Could members please notify the Committee Manager if they are intending to attend and speak.

- 1 Apologies for absence**
- 2 Declarations of Interest**
- 3 Minutes of the previous meeting** (*Pages 5 - 10*)
- 4 Public Questions**
- 5 Budget Setting Report February 2015 (Executive)** (*Pages 11 - 16*)

The Budget-Setting Report (BSR) 2015/16 and the BSR document can be accessed via the following links:

<http://democracy.cambridge.gov.uk/documents/s27562/BSR%20covering%20report.pdf>

<http://democracy.cambridge.gov.uk/documents/s27574/BSR%20-%20Doc.pdf>

Limited hard copies will be available and as a result of this meeting an updated report will be published and sent to the Executive.

Meeting Information

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

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

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THE EXECUTIVE

23 January 2014

6.00pm - 6.33 pm

Present: Councillors Bick (Chair), Smart (Vice-Chair), Reiner, Swanson, Smith and Ward

Officers Present:

Chief Executive – Antoinette Jackson

Director of Resources – David Horspool

Director of Environment – Simon Payne

Director of Customer and Community Services: Liz Bisset

Director of Business Transformation: Ray Ward

Committee Manager – Glenn Burgess

Other Councillors in attendance:

Councillor Herbert

FOR THE INFORMATION OF THE COUNCIL

14/5/EX Apologies for absence

Apologies were received from Councillor Brown.

14/6/EX Declarations of Interest

No interests were declared.

14/7/EX Minutes of the previous meeting

The minutes of the meeting held on 24 January 2013 were approved and signed as a correct record.

14/8/EX Public Questions

There were no public questions.

14/9/EX Budget Setting Report February 2014 (Executive)

The committee received an update report from the Director of Resources regarding the Budget-Setting Report (BSR) 2014/15.

As part of his introduction the Director of Resources confirmed the following:

- i. Appendix B(b) of the BSR incorrectly stated that the figures relating to the Council Tax requirement for 2014/15 would be available at this meeting. This information and that relating to Appendix N (Section 25 Report) will be available in time for Council on 27 February 2014.
- ii. Information relating to the Actuarial Report and Council Tax Referendum was still outstanding but Officers were actively chasing.
- iii. Information relating to the NNDR 1 Form had now been received and Officers would be formulating a response.
- iv. The Council Tax base, as set out in Appendix B(a) of the BSR, is calculated and determined by the Director of Resources under delegated authority.
- v. Officers are monitoring the other precepting authorities but were not expecting meeting dates to be delayed.
- vi. The Executive is being asked to recommend the BSR to Council on 27 February 2014 for approval, subject to any amendments at the Strategy and Resources Scrutiny Committee on 7 February 2014.

The Executive and Officers received questions from the Leader of the Labour Group:

- i. Councillor Herbert requested clarification on scrutiny of the Housing Revenue Account (HRA) BSR. The Director of Customer and Community Services responded that the HRA BSR had been taken to both the Community Services Scrutiny Committee and the Special Housing Management Board on 16 January 2014. A decision was required on rents/charges and housing revenue before the Council could set its Council Tax levels, but elements relating to Treasury Management and Housing Capital have been recommended to Council on 27 February 2014.
- ii. Councillor Herbert requested a detailed report on the capital elements of car park improvements. The Executive Councillor for Planning and Climate Change responded that it was within the gift of the Environment Scrutiny Committee to request a report and he would not have any objections.

- iii. Councillor Herbert requested further information on the review of Community and Neighbourhood Centre Management (ref: SR 3346). The Director of Customer and Community Services responded that the figures included in the BSR were cumulative estimates, some of which had come from the broader restructure and some had come from the ChYpPS Review. An amount had yet to be identified but detailed work was ongoing.
- iv. Councillor Herbert expressed concern regarding the proposed cuts to the Public Art Professional Support Services (Ref: SR3331). The Executive Councillor for Public Places responded that the current post is full time, but only 50% funded by the City Council. The remaining 50% is funded through developer money. The proposal in the BSR is for this post to remain full time, but be 100% funded through developer money. Councillor Herbert asked if there would be clarity on who the post holder reported to. The Director of Environment confirmed that the post holder would report to, and address the specific objectives of, the City Council.
- v. Councillor Herbert requested an update on progress of the Neighbourhood Resolution Panels (Ref: PPF3353). The Leader responded that, whilst a lengthy set up process was expected, problems filling the Coordinator post had delayed the project. Panel Hearings had started to take place in the last 3 months and were receiving good feedback. The Director of Customer and Community Services agreed to forward Councillor Herbert details on the precise number of hearings that had taken place.
- vi. Councillor Herbert requested an update on the refurbishment of Lion Yard Toilets. The Executive Councillor for Environmental and Waste Services responded that a delay had been caused by an increase in construction costs. This had resulted in Officers having to review the tenders but a bid was now in place and the contract should be let within the next 7 days. In response to a further question from Councilor Herbert the Executive Councillor confirmed that the £233,000 allocated in the 2014/14 budget was extra capital that would also allow the Silver Street Toilets to be completed.
- vii. Councillor Herbert welcomed the increases in property investment, especially in a very challenging property market. It was suggested however that a review of procedures in order to make the buying of property more straight forward could be beneficial. The Executive Councillor for Customer Services and Resources responded that discussions were already underway with the Head of Legal Services regarding Officer delegations and urgency procedures in order to simplify the process. Councillor Herbert welcomed a review of Officer delegations.

In response to questions from the Executive Councillor for Customer Services and Resources the Director of Resources confirmed the following:

- i. The required delegations to the new Director of Business Transformation and the new Head of Finance were being finalised.
- ii. The format for calculating Council Tax Base is prescribed by Government. Whilst Officers were mindful of local discretions there had been no indication of any changes to the format.

The Executive resolved unanimously to recommend the Budget Setting Report 2014/15 to Council on 27 February 2014, subject to any amendments at the Strategy & Resources Scrutiny Committee meeting on 7 February 2014, namely:

General Fund Revenue Budgets: [Section 4, page 37 of the BSR refers]

Budget 2013/14:

- a) To approve, with any amendments, the revised budget items shown in Appendix C(a) of the BSR.
- b) To approve, with any amendments, the Non Cash-Limit budget items for 2013/14 as shown in BSR Appendix C(b).
- c) To approve, with any amendments, the overall revised budget for 2013/14 for the General Fund, as shown in BSR Section 4 [page 37 refers] and BSR Appendix D(a).

Budget 2014/15:

- d) To agree any recommendations for submission to the Executive in respect of:
 - Non Cash Limit items as shown in BSR Appendix C(b).
 - Revenue Savings and Bids as shown in BSR Appendix C(c), (d) & (e).
 - Priority Policy Fund (PPF) Bids as shown in BSR Appendix C(f) – based on the position as outlined in BSR Section 4 [page 37 refers].
 - Bids to be funded from External or Earmarked Funds as shown in BSR Appendix C(g).

e) To note the Council Tax taxbase, as set out in Appendix B(a) of the BSR, as calculated and determined by the Director of Resources under delegated authority.

f) To recommend to Council the level of Council Tax for 2014/15 as set out in BSR Section 3 [page 32 refers].

Note that the Cambridgeshire Police and Crime Panel will meet on 5 February 2014 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 13 February 2014 and Cambridgeshire County Council will meet on 18 February 2014 to consider the amounts in precepts to be issued to the City Council for the year 2014/15.

Treasury Management: [BSR Section 6, page 58 of the BSR refers]

g) To recommend to Council to approve:

(i) the Prudential Indicators as set out in Appendix M(a) of the BSR and to confirm that the Authorised Limit for external borrowing determined for 2014/15 will be the statutory limit determined under section 3 of the Local Government Act 2003,

(ii) to delegate to the Section 151 Officer, within the borrowing totals for any financial year within (i) above, to effect movement between the separately agreed figures for 'borrowing' and 'other long term liabilities',

(iii) the Treasury Management Annual Borrowing and Investment Strategies set out in BSR Appendices M(b) and M(c) , and

(iv) the Council's Counterparty List shown in BSR Appendix M(c), Annex 3.

Other Revenue:

h) To delegate to the Section 151 Officer 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).

Capital: [BSR Section 5, page 47 of the BSR refers]

Capital & Revenue Projects Plan: [BSR Section 5, page 51 refers]

- i) To approve project appraisals that have been referred by Executive Councillors:
- j) If applicable, to agree any recommendations to the Executive in respect of the bids outlined in BSR Appendix G(a) & (b) for approval to include in the Capital Plan, or put on the Hold List, including any additional use of reserves required.
- k) To agree to carry forward resources from 2013/14, resulting from variances as detailed in BSR Appendix G(c), to fund re-phased capital spending.
- l) To agree the revised Capital & Revenue Projects Plan as set out in BSR Appendix G(d), the Hold list set out in BSR Appendix G(e), and the Funding as set out in BSR Appendix G(f) for the General Fund.

Note that the Appendices include new capital bids, but will be updated in subsequent versions to Council to incorporate approved rephasing included in the above recommendations.

General Fund Reserves:

- m) To note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to:
 - (i) support the 2013/14 budget
 - (ii) support the 2014/15 and future year's budgets.

as set out in BSR Appendix D(c).

The meeting ended at 6.33 pm

CHAIR



To: The Leader, Councillor Lewis Herbert
Report by: Head of Finance
Relevant scrutiny committee: The Executive 22 January 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 being considered at this meeting. This report reflects The Executive's 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 2015/16 (Version 1 – Strategy & Resources) as reported to and recommended by the Strategy & Resources Scrutiny Committee on 19 January 2015.

2. Recommendations

The Executive recommends the Budget Setting Report 2015/16 to Council on 26 February 2015, subject to any amendments at the Strategy & Resources Scrutiny Committee meeting on 19 January 2015, namely:

General Fund Revenue Budgets: [Section 5, page 28 refers]

- a) Recommend to Council approval of:
- Revenue Pressures shown in Appendix B(a) and Savings shown in Appendix B(b).
 - Priority Policy Fund (PPF) Bids as shown in Appendix B(c).
 - Bids to be funded from External or Earmarked Funds as shown in Appendix B(d).
 - Non Cash Limit items as shown in Appendix B(e).
- b) Recommend to Council formally confirm delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) as set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2015/16 as set out in Section 4 [page 26 refers].

Note that the Cambridgeshire Police and Crime Panel 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.

Other Revenue:

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- e) Recommend to Council approval of an amendment to the remit for the "Sharing Prosperity Fund" so that the revised remit (changes are underlined) is:

Sharing Prosperity Fund Formal Remit:

To provide resources to fund fixed-term and one-off projects and proposals that support the interim and final objectives of the council's Anti-Poverty Strategy, namely:

- 1) Helping people on low incomes to maximise their income and minimise their costs
- 2) Making the move into work easier
- 3) Helping low income families with the cost of raising a child
- 4) Breaking the link between poor health and poverty
- 5) Ensuring that vulnerable older people get the services that they need and reducing the social isolation they can experience
- 6) Helping people with high housing costs and improving the condition of people's homes
- 7) Working in partnership to tackle wider barriers to employment and engagement (e.g. transport, learning and skills)

In accordance with the Council's delegation and approval processes outlined in Part 3 Section 9.3 of the Council Constitution, approval of allocations to be made from the Sharing Prosperity Fund will differ depending on the amount of funding requested and whether it is capital or revenue.

Projects costing £15,000 or less will be approved by the Head of Corporate Strategy, subject to endorsement by The Anti-Poverty Strategy Project Board.

Projects costing more than £15,000 will be considered in the first instance by The Anti-Poverty Strategy Project Board and then submitted for approval by the Executive Councillor for Finance and Resources.

Projects over £75,000 will be reviewed at Strategy and Resources Scrutiny Committee before approval, subject to the need to make urgent decisions.

Where a project includes capital spending of more than £15,000, capital approval processes are also required.

Capital: [Section 7, page 35 refers]

Capital Plan:

- f) Recommend to Council the proposals outlined in Appendix D(a) for inclusion in the Capital Plan, or put on the Projects Under Development or Hold Lists, including any additional use of revenue resources required.
- g) Recommend to Council the revised Capital Plan 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 2015/16 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:

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