

# Public Document Pack

## NOTICE OF COUNCIL MEETING - 22 OCTOBER 2015

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber - Guildhall on Thursday, 22 October 2015 at 6.00 pm and I hereby summon you to attend.

Dated 14 October 2015

Yours faithfully

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

Chief Executive

### **Agenda**

- 1 To approve as a correct record the minutes of the meeting held on 23 July 2015**  
*(Pages 13 - 32)*
- 2 Mayor's Announcements**
- 3 Public Questions Time - see at the foot of the agenda for details of the scheme**
- 4 To consider the recommendations of the Executive for Adoption**
  - 4a Housing Revenue Account (HRA) Mid-Year Financial Review (Executive Councillor for Housing)**  
*(Pages 33 - 112)*

**4b** General Fund (GF) Mid-Year Financial Review (MFR)  
(Executive Councillor for Finance and Resources)  
*(Pages 113 - 160)*

**4c** Treasury Management Half Yearly Update Report 2015/16 to  
2018/19 (Executive Councillor for Finance & Resources)  
*(Pages 161 - 180)*

**4d** Council Appointments to the Conservators of the River Cam  
(Executive Councillor for City Centre and Public Places )  
*(Pages 181 - 186)*

**5 To consider the recommendations of Committees for Adoption**

**5a** Licensing Committee: Adoption of Gambling Policy  
*(Pages 187 - 254)*

**5b** Planning Committee: Consultation on review of Cambridge  
Fringes Joint Development Control Committee terms of  
reference to determine City Deal Infrastructure Schemes  
*(Pages 255 - 270)*

**6 To deal with Oral Questions**

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

**7a Councillor Gehring**

Divestment and Climate Change Motion

This Council notes:

- The threat of global climate change and the need to act against it both nationally and locally.
- The responsibility of this Council to act to reduce its carbon footprint.

Further, Council recognises the growing number of commercial, educational and governmental organisations deciding to support low carbon investment:

- Bristol Council's decision alter its investment policy to exclude companies whose core activities cover fossil fuel extraction.
- The Norwegian Government's decision to divest from fossil fuel investment in its pension fund.
- The over 150 companies, including Hewlet-Packard, BT Group & Volvo who have signed up to the "We mean business" coalition's aims.

Council notes that the University of Cambridge has this year launched a wide ranging consultation regarding carbon divestment from its £2.2bn endowment fund and several Colleges of the University considering a similar move.

In response to this Cambridge City Council calls on the Leader and Executive, as far as the law permits:

- To develop and implement a carbon-conscious strategy for its property investments. Rather than just relying on the broader climate change strategy, this more targeted strategy will preclude commercial property investments into carbon intensive buildings and favour carbon neutral or carbon positive commercial property acquisition.
- To study the energy and carbon status of existing City Council commercial properties and consider investment in energy efficiency upgrades or, if that is not practical, divestment from under-performing properties.
- To study, jointly with the County Council or independently, positive investment into a local not-for-profit renewable energy provider, similar to Robin Hood Energy in Nottingham, to address fuel poverty and climate change as a joint social justice concern.

The City Council also calls on:

- Cambridgeshire County Council to develop and adopt a similar ethical investment policy and divest from fossil fuels.
- The Cambridgeshire Pension Fund to adopt a similar ethical investment policy and divest from fossil fuels.

- The national U.K. government to support the principle of fossil fuel divestment, to stop subsidising the fossil fuel industry and to advocate for all other countries to commit to this during the COP21 global climate change negotiations later this year.
- The Leader and Executive to prepare the City Council's own statement of support for climate action and publish this at the time of COP21.

## **7b Councillor Hipkin and Councillor Holland**

### Promotion of Local Democracy

Mindful of the need to engage the public as fully as possible in the democratic life of the city and at the same time acknowledging the severe financial pressures we are under, this Council calls for a comprehensive review, undertaken by the Civic Affairs Committee or a sub-group of that committee, of the ways in which the council can most effectively combine its responsibilities to promote local democracy while at the same time ensuring the prudent use of resources.

## **7c Councillor Gillespie**

### City of Sanctuary

This Council wishes to assist the most vulnerable people hoping to come to Cambridge to seek refuge and sanctuary from war and persecution.

The UN refugee agency has asked EU Member States to immediately take 200,000 additional refugees to lessen the humanitarian crisis. In response, the EU has adopted a quota system which the UK Government has refused to participate in. Rather than the 25,000 that would represent its 'fair share' of migrants (spreading this across the country would mean about 50 refugees being accommodated in a city the size of Cambridge), the Prime Minister has instead announced that his Government would make provision for only 4,000 each year.

We recognise the strong support local communities, voluntary bodies, faith groups and others in Cambridge already give to those

seeking refuge and sanctuary. The strength of public feeling was well expressed in the two 'Cambridge Welcomes Refugees' marches on the 5th of September and the 10th of October. Over 500 people in Cambridge have signed a petition saying "We are willing to house Syrian refugees; please rescue more of those fleeing the conflict.

This council pledges to become a City of Sanctuary, and accordingly to call on the Leader and Executive to:

- Work with the City of Sanctuary network, the Regional Strategic Migration Partnership, and also local groups like Refugees Cambridge to develop a plan that would allow refugees to be housed within the City in volunteer's homes, through schemes similar to that used in Oxford ('Host Oxford').
- Consider what support can be given to donation efforts, providing supplies to refugees in Calais.
- Ask Cambridge Live if it would hold a benefit concert, raising more money for supplies, and promoting the benefits that multiculturalism brings to our society.
- Review its own budgets, services and policies to check that these are adequately supporting refugees and present no impediment to the accommodation in private homes of refugees.
- Apply for Government funding under the Syrian Vulnerable Person Relocation (SVPR), the Gateway Protection Programme (GPP) and European Refugee Fund (ERF) schemes to help support its efforts to provide housing for refugees.
- Write to the City's Universities encouraging them to consider extending their funded studentships to include more places specifically for refugees.

## **7d Councillor Owers and Councillor M Smart**

### Climate Change

Cambridge City Council notes:

- The risk to both the planet and Cambridge from Climate Change, and this Council's commitment to tackle the issue, as expressed both by its Climate Change Strategy, which is

currently being reviewed, and its role as a signatory to the Nottingham Declaration.

- The need to show leadership in advocating a fossil-fuel free future, both in terms of the council's own policies, including its investments, and external engagement.
- That the Law Commission reviewed the meaning of fiduciary duty as it applies to investments in 2014, concluding that "Where trustees think ethical or environmental, social or governance (ESG) issues are financially material they should take them into account."
- That there is nonetheless a risk for this Council in any non-financial considerations in investment policy, and therefore before any such change, the implications should be studied and considered carefully.
- That the University of Cambridge have this year launched a wide ranging report into its £2.2bn endowments fund.

Cambridge City Council therefore resolves:

- To ask the Head of Finance to author a report to Strategy and Resources committee outlining the options for, as well as the risks associated with, the implementation of an ethical investment policy, in relation to both direct investments and our Treasury Management strategy, with a particular emphasis on the issues of companies that are associated with investments in fossil fuels, and fossil fuel disinvestment.
- To engage with local businesses and community groups, including Fossil Free Cambridgeshire, Cambridge Carbon Footprint and Transition Cambridge, during the forthcoming Climate Change Strategy consultation in order to explore the potential for supporting the move to a fossil fuel free future.
- To call on Cambridgeshire County Council to consider an ethical investment policy and disinvestment from fossil fuels.
- To call on the Cambridgeshire Pension Fund to consider an ethical investment policy and disinvestment from fossil fuels.
- To call on the national U.K. government to stop carrying out policies that harm the fight against climate change (such as recent changes to Feed-In Tariffs and other subsidies for green energy, changes to planning policy, and cuts to Green Deal Finance), support the principles of fossil fuel divestment and stopping subsidies to the fossil fuel industry, and advocate

for all other countries to commit to this during the COP21 global climate change negotiations later this year.

- To direct the Chief Executive to write to the University group asking them to share the conclusions of their review as and when they are available, so that the Head of Finance and the Pension Fund can consider this work in their reviews.

## **7e Councillor Price and Councillor Johnson**

### Trade Union Bill

This Council:

Notes with concern the Trade Union Bill which is currently being proposed by the Government and which would affect this Council's relationship with our trade unions and our workforce as a whole.

Rejects this Bill's attack on local democracy and the attack on our right to manage our own affairs.

Is clear that facility time, negotiated and agreed by us and our trade unions to suit our own specific needs, has a valuable role to play in the creation of good quality, responsive local services. Facility time should not be determined or controlled by Government in London.

Is pleased with the arrangements we currently have in place for deducting trade union membership subscriptions through our payroll. We see this as an important part of our positive industrial relations and a cheap and easy to administer system that supports our staff. This system is an administrative matter for the Council and should not be interfered with by the UK Government.

This Council therefore resolves to:

- Support the campaign against the unnecessary, anti-democratic and bureaucratic Trade Union Bill.
- To continue its own locally agreed industrial relations strategy and will take every measure possible to maintain its autonomy with regard to facility time and the continuing use of check-off.

## **7f Councillor Moore**

### Open Access Policy

Cambridge as a City which actively seeks to reduce discrimination against those with disability in the Built Environment.

Council notes that those with disabilities are impeded by a variety of obstacles as they move through the built environment in Cambridge, and that many of these are outside the direct control of the City Council (e.g. on public highway, in shops, on public and private land including NHS premises, and the behaviour individuals and business).

Council notes that discrimination worsens inequality by damaging the health, well-being, life chances, life expectancy, productivity and wealth of those affected. This is recognised by the World Health Organisation (WHO) and United Nations. Reducing such inequity plays an important part in the WHO Healthy Cities program and city sustainability.

Council notes that the difficulties in reducing or removing these obstacles are legion and has made a good start at tackling the issue with the Cambridge City Centre Accessibility Review Action Plan.

Council notes that only a small proportion of all those with a disability are easily recognised, and that most of our citizens over 60 will have impairments.

Council notes the breadth of issues which include

- Obstacles on road and pavement that impede progress, confuse guide dogs, create trip and other hazards, have insufficient contrast to be recognised by some visually disabled
- Route obstacles such as traffic lights with timings too fast for a slower person to cross, lights without a tactile feedback button for deaf-blind, poor and confusing road crossings
- Support issues such as public seats without a variety of heights, available public toilets, disabled drop off and collection points
- Behaviours that create problems including narrowing a cycle path so that those cyclists with balance problems are

prevented from using that route, wheelie bins on the pavement, pavement conflicts between disabled pedestrians and cyclists, construction activity which diverts disabled people onto the road or provides barriers with poor visibility causing a trip hazard them.

Council notes that there are solutions (even if partial) for all the City's Open Access issues and that a clear statement of principle, of our intention and direction, will help empower all the City's residents, organisations and businesses to become more aware and active in support of our Open Access Policy.

The Council endorses the principle of Open Access in our Built Environment: our Built Environment should not discriminate against citizens and visitors with disability of any form,

- will actively seek to reduce such discrimination in all publicly accessible areas of the City,
- recognises that, in order to reduce this discrimination, it needs to work with many organisations and agencies, public and private, and with its citizens to develop policies and practices which reduce the existing obstacles for disabled walkers and cyclists, and for those using other forms of transport,
- recognises that a means to prioritise, measure and publicly report progress, policies and the process by which they were agreed, and steer this effort is developed,
- recognises the important part that our residents, students, businesses and visitors can play and welcomes their involvement.

## **8 Written Questions**

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

# Information for the Public

## Location

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

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

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

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- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
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## COUNCIL

23 July 2015  
6.00 - 10.55 pm

**Present:** Councillors Abbott, Ashton, Austin, Avery, Baigent, Benstead, Bick, Bird, Blencowe, Cantrill, Dryden, Gawthrop, Gehring, Gillespie, Hart, Herbert, Hipkin, Holland, Holt, Johnson, McPherson, Meftah, Moore, O'Reilly, Owers, Pippas, Price, Ratcliffe, Reid, Roberts, Robertson, Sanders, Sarris, Sinnott, C. Smart, M. Smart, Smith, Todd-Jones and Tunnacliffe

### FOR THE INFORMATION OF THE COUNCIL

#### **15/94/CNL To approve as a correct record the minutes of the meetings held on 28 May 2015**

The minutes of the Extraordinary Council Meeting and Annual Council meeting both held on 28 May 2015 were confirmed as a correct record and signed by the Mayor.

#### **15/95/CNL Mayor's Announcements**

##### **1. Apologies**

Apologies were received from Councillors, O'Connell, Perry and Pitt. Apologies for lateness were received from Councillor McPherson and Councillor Austin.

##### **2. Mayor's Day Out**

The Mayor confirmed that the annual Mayor's Day Out to Great Yarmouth would take place on Tuesday 11th August 2015.

##### **3. Commemoration for the Cambridgeshire Regiment Far East Prisoners Of War**

The Mayor confirmed that the Leader of the Council (Councillor Lewis Herbert) would give a talk on his research into the experiences of Cambridgeshire soldiers sent to Singapore in 1942, and as prison labourers working on the Burma Railway. The talk would be given in the Council Chamber on Friday 11th September at 12.30 p.m. as part of the Open Cambridge weekend.

The Mayor confirmed that the Sergeant-at-Mace would also give a talk as part of the Open Cambridge weekend on Friday 11th September and Saturday 12th September both at 11 a.m.

#### **4. Civic Dinner at Anglia Ruskin University**

The Mayor reminded members that the civic dinner at Anglia Ruskin University was scheduled for Thursday 17th September.

#### **5. Harvest Festival Civic Service**

The Mayor confirmed that the Harvest Festival Civic Service would take place on Sunday 4th October at 9.30 a.m. at Great St. Mary's Church.

#### **6. Charity Fundraising Event**

The Mayor confirmed the first charity fund raising event would take place on Wednesday 21st October 2015 and was in aid of the Arthur Rank Hospice Appeal.

#### **7. Festival of Ideas**

The Mayor gave advance notice that the Civic Office was joining with the University of Cambridge for the Festival of Ideas initiative at the Guildhall on 26th and 29th October 2015.

#### **8. Declarations of Interest**

Councillor	Item	Interest
Councillor Roberts	15/101/CNLc	Personal: Employed by the European Parliament. Employer tabled the amendment to TTIP as part of the S&D Group to Parliament.

#### **9. Presentation of Resolution of Thanks To Councillor Gerri Bird**

On behalf of the City Council, the Mayor presented Gerri Bird with a framed copy of the Resolution of Thanks for her service as Mayor during the 2014/15 municipal year, passed at the annual meeting of the Council on the 28 May 2015.

**15/96/CNL Public Questions Time**

Members of the public made a number of statements, as set out below.

1. Mr Howlett (Chief Executive of CHS Group) raised the following points:
  - i. Referred to motion 7b.
  - ii. Stated that the right to buy would have a detrimental impact on housing supply in the city.
  - iii. There were three issues that would affect CHS as a housing association:
    - Loss of income in future.
    - Loss of independence. The new policy (intervention) by Central Government would adversely affect CHS's business plan and its capacity to provide social housing in future (existing numbers and new homes that could be built).
    - Increase in cost of borrowing.

The Executive Councillor for Housing responded:

- i. He shared Mr Howlett's concerns.
- ii. The negative impact of Central Government's policy on building new homes was a common issue across the city despite a growing need.
- iii. Referred to motion 7b and said it would be discussed as the next agenda item.

Mr Howlett made the following supplementary points:

Asked the Council to ensure Cambridge MPs were made aware of the following issues:

- i. Cuts to housing benefits for under 21 year olds should be avoided, vulnerable people needed to be protected.
- ii. Rent cuts on supported housing and residential care needed protection.

The Executive Councillor for Housing responded with the following:

- i. Noted the supplementary points raised by Mr Howlett.
- ii. Undertook to advise Cambridge MPs of the City Council's debate and its resolution.
- iii. Reiterated the need to provide housing to vulnerable city residents.

2. Ms Minns raised the following points:

- i. Spoke as a council tenant and Housing Scrutiny Committee representative.

- ii. Referred to the 7 July 2015 Conservative Emergency Budget and took issue with it due to the impact on social housing i.e. it would lead to a loss of social housing.
- iii. The right to buy scheme would lead to a loss of (council) housing stock.
- iv. Families would be forced into private rented housing instead of buying their own homes.
- v. A cut to benefits would lead to social deprivation.

The Executive Councillor for Housing noted Ms Minns comments, specifically the impact of proposals on social deprivation.

Ms Minns made a supplementary point to say that stories of people's experiences were important to show the (negative) impact of Central Government policy.

3. Mr Marais raised the following points:

- i. Council housing had been "residualised" over time.
- ii. Council housing used to be formed from a mixed community of blue and white collar workers.
- iii. The 1980s onwards saw the selling off of council housing stock. This led to less of a mix of blue and white collar residents; and a higher housing waiting list which forced people into the private sector rented market except for the most needy who could not afford it.
- iv. Council housing stock was being sold off to finance the discounted sale of council houses.
- v. Took issue with the sale of council housing stock and asked the Council to oppose it.

The Executive Councillor for Housing responded:

- i. Noted comments made.
- ii. Labour and the Conservatives used to compete to build houses when in Government. Now it was Government policy to sell off council housing stock.
- iii. Undertook to lobby Cambridge MPs to oppose housing stock sell off.

### **15/97/CNL Re-Ordering Agenda**

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

**15/98/CNL To consider the recommendations of the Executive for Adoption****4a Revenue and Capital Outturn, Carry Forwards and Significant Variances - HRA****Resolved (by 26 votes to 0) to:**

Approve the carry forward requests, totalling £9,272,120 as detailed in Appendix C of the Officer's report.

**4b 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances – all General Fund Portfolios****Resolved (27 votes to 0) to:**

- i. Agree the final carry forward requests, totalling £657,030 as detailed in Appendix C of the officers report, subject to the final outturn position.
- ii. Approve to carry forward (net) capital resources to fund re-phased capital spending of £27,044,000 (of which HRA is £13,758,000) as shown in Appendix D – Overview of the officer's report.

**Buchan Street Community Centre - New roof replacement**

- iii. Approve capital funding of £60,000 for the refurbishment of the tiled roof and replacement of thermal insulation project.

**Ross Street Community Centre - New Boiler system**

- iv. Approve capital funding of £36,000 for the replacement boiler system project.

**4c Review of Capital Plan Processes and Procedures****Resolved (by 26 votes to 0) to:**

- i. Approve a Capital Feasibility Fund of £35,600 in 2015/16, funded from a 'top-sliced' 5% of net capital funding available, with delegated authority for allocation of these funds given to the CPB in conjunction with the s151 officer.
- ii. Approve placing all current projects on the General Fund capital plan that do not produce a full business case by 30 November 2015 on to the PUD

list, i.e. remove approved funding and require these projects to come forward for funding once a full business case has been approved.

#### **4d Annual Treasury Management Report 2014/15**

##### **Resolved (by 26 votes to 0) to:**

- i. Approve the report which included the Council's actual Prudential and Treasury Indicators for 2014/15.
- ii. Approve changes (shown in bold) to our Counterparty List as highlighted within Appendix D of the Officer' report.

#### **4e Replacement Financial Management System**

##### **Resolved (by 26 votes to 0) to:**

Approve capital and revenue funding for the replacement financial management system project.

#### **4f General Fund Investment in Housing**

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

Agree a budget provision is made to allow the General fund to lend money to the Housing Company to acquire 24 properties at Aylesborough Close and Water Lane as detailed in the report.

### **15/99/CNL To consider the recommendations of Committees for Adoption**

#### **5a Civic Affairs: Changes To The Officer Employment Procedure Rules In Respect Of Disciplinary Action**

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

- i. Amend the Officer Employment Procedure Rules in accordance with Appendix 1 to this report.
- ii. Amend the terms of reference of the Employment (Senior Officer) Committee in accordance with Appendix 2 to this report.
- iii. Authorise the Head of Human Resources to convene a panel of "independent persons", as and when required by the Local Authorities (Standing Orders) (England) Regulations 2001 and to determine its procedure.

**5b Civic Affairs: Assurance Framework, Draft Annual Governance Statement and Draft Code of Corporate Governance 2014/15**

**Resolved (unanimously) to:**

Approve the Code of Corporate Governance.

### **15/100/CNL To deal with Oral Questions**

#### **1) Councillor C. Smart to the Leader**

**Can the Leader tell the Council about the progress of his talks with various parties to improve the conditions for people trying to use the railway station?**

The Leader stated that there was a lack of ticket facilities and a failure to promote adequate parking. A letter had been written to Abellio Greater Anglia and a response had been provided and a meeting was to be held on 7 August 2015. The train station needed to provide a welcome front door for Cambridge, a station where residents and commuters could purchase train tickets easily and properly functioning cycle parks were provided.

#### **2) Councillor Austin to the Executive Councillor for City Centre and Public Places**

**On 9 July 21 punt touts were counted between St Johns College and Kings College. How are plans progressing to control this activity?**

The Executive Councillor responded that the Police, the Cam Conservators and the City Council had worked together to try to tackle the illegal punt operators which operated from Garrett Hostel Lane. The vast majority of the punt touts operating in the Market Square, Petty Cury and Kings Parade areas were working for these operators. Touting per se was not illegal but there was a byelaw in place to deal with aggressive touting and this would be enforced as appropriate. Enforcement was difficult as it required detailed witness statements which understandably visitors were not always happy or in a position to make.

The City Council had taken legal advice and was acting in accordance with that advice with a view to stopping the illegal punt operations from Garret Hostel Lane. The City Council continued to work with the Cam Conservators and the Police to collect evidence so that action could be taken at the appropriate time and against the appropriate individuals. In June of this year

the Conservators successfully prosecuted a number of people involved with providing chauffeur punt tours from Garret Hostel Lane for criminal offences under the Conservators' byelaws. The District Judge in this case stated in his findings:

*“I find that the behaviour of these defendants as a group towards the Conservators to be coercive and bullying. They have attempted to use fraudulent means to obtain the registration of punts on a private basis when they knew full well they would be used to promote a commercial activity.”*

*“The arrogance of the defendants towards the Conservators is evident in that the punts remain on the river, unregistered and it seems still working providing tours. Meanwhile, the Company in 2013/4 declared a turnover of £337,418. Their motivation is clear.”*

The illegal punt operators were challenging this judgement.

The Council had submitted a planning application to install railings along the stone walkway alongside Garret Hostel Lane to improve safety and ensure the slipway was used for legitimate access to the river. The application had been approved and it was hoped that the railings would be in place in the near future after fabrication.

The Council made the La Mimosa punt station available to independent punt operators several years ago and allocated places in a transparent and fair manner. This scheme had operated successfully through the development of a touting “Code of Conduct” which was agreed between both the independent operators and Scudamores who operated nearby. The Council did not intend to establish any new punt stations which would be subject to planning and Conservator approvals. There was already an approved punt station beside Garret Hostel Lane within Trinity College and it was considered unlikely that consent would be granted for another station at Garret Hostel Lane. This would also have interfered with public access to the river.

### **3) Councillor Reid to the Executive Councillor for Communities**

**Does the Executive Councillor agree that political balance and local knowledge are important considerations in making appointments to collaborative external bodies such as Clay Farm Community Centre?**

The Executive Councillor responded that political balance was important and that many outside bodies had cross-party representation. Legal advice had been sought prior to the appointment of the representative for Clay Farm Community Centre and the advice confirmed that it was for the ruling group to make their decision; this had previously been reported back to the Community Services Scrutiny Committee. The appointment of Cllr Robertson took into consideration his management and financial expertise.

#### **4) Councillor Bick to the Executive Councillor for Environment and Waste**

**Following his recent failure to recognise the Parker's Piece conservation plan by public consultation before installing new concrete bases and bins, for which his officers have apologised, can the Executive Councillor confirm the undertaking he made at the West-Central Area Committee to consult on any future changes like this to Parker's Piece which are potentially in conflict with the conservation plan?**

The Conservation Plan for Parkers Piece was written in 2011 and was prepared to provide a basis for management to safeguard the elements that a wide range of people considered should be conserved for the future.

The Conservation Management Plan recommended in its policies and guidance section:-

- 5.12 to retain the open character of the central area of Parkers Piece and to avoid introducing tree planting, additional lights, other structures or artefacts.
- 5.3.3 Litter collection services responded to periods of high visitor numbers.

It also stated in Appendix 7 section 5, that the litter bin was possibly rather rural for this formal location.

The replacement bin works related to Capital Plan item PR027, which was approved in February 2012.

Officers had reviewed the existing bin provision, to see if the number of locations could be reduced; however the numbers of bins were increased, adding a new provision for recycling.

The style of the bins was of a high quality and reflected the Conservation Plans requirement 5.3.8 for adequate resources for appropriate high quality

materials and design for artefacts. The new bins also contributed to 5.3.3 Litter collection services which responded to periods of high visitor numbers.

There was no local Friends Group with a direct association with Parkers Piece, and Officers did not consult as the works were deemed as operational activities. The locations of the central path bins on Parkers Piece, also replicated those of the established positions for temporary summer bins.

Capital Item PR027 had installed 'Big Belly Bins' on Midsummer Common, Stourbridge Common and Riverside. The provision of new bins on these sites was also deemed an operational decision therefore no formal consultation was completed.

The new OMOS bins for Parkers Piece, Jesus Green, Christ's Pieces and New Square were ordered in February '15. Officers' that managed the roll out of the additional bins had given a commitment at West/ Central Area Committee to notify Ward Councillors of the intended locations for replacement bins prior to installation.

The new lead Officer had also considered feedback from West/ Central Area Committee with regards to the installation of bins with concrete bases. The footprint required to support the new bins would be reduced to the minimum as a consequence of this feedback.

Officers had also confirmed that the existing bins that were to be replaced were also fixed using a concrete base and these would be removed and reinstated to grass, where a bin location was no longer used.

#### **5) Councillor Cantrill to the Executive Councillor for Finance and Resources**

**The proposals for a national living wage announced at the budget, appear to be a living wage in name only and does not appear to reflect the aims of the long established living wage campaign. Can the Executive Councillor confirm that the city council will continue with its efforts to pursue the living wage campaign as pursued by the Living Wage Foundation?**

The Executive Councillor responded that the City Council would continue with its living wage campaign. The announcement by George Osbourn attempted to muddy the water for the general public's understanding of what the living wage was. On a local level, the City Council was clear that what George

Osborn had done was not enough and the living wage campaign with the Living Wage Foundation would continue.

### **Secondary Question**

The following oral question was tabled but owing to the expiry of the period of time permitted, was not covered during the meeting.

#### **Councillor Reid to the Leader**

**Does the Leader agree that the council should be transparent in the financial reporting it offers to support decision making and scrutiny?**

**15/101/CNL To consider the following Notices of Motion, notice of which has been given by:**

**7a** Councillor Gillespie

Councillor Gillespie proposed and Councillor Herbert seconded the following motion:

#### **Human Rights Act**

That Cambridge City Council expresses support for the Human Rights Act and the positive impact it has had on rights protections of individuals in the UK; welcomes the guidance the Human Rights Act provides for public authorities in ensuring policies are developed in line with international human rights standards; and calls on the Government to retain the Human Rights Act, the protections within it, and then UK's international obligations under the European Convention on Human Rights.

**Resolved** (unanimously):

To agree the motion as set out above.

**7b** Councillor Price

Councillors Price proposed and Councillor Todd-Jones seconded the following motion:

#### **Emergency Budget Housing Measures**

This Council is very concerned at the implications for its tenants and housing stock (City Homes) in the Tory government's Emergency Budget's housing measures.

Namely: a benefit cap of £20,000 a year for couples and £13,400 for single people in the City; Housing Benefit to be withdrawn from 18 - 21 year olds; Housing Benefit and Local Housing Allowance to be frozen for 5 years; Tax Credits and Housing Benefit/Local Housing Allowance only to take into account the first two children in households for children born after April 2017; market rents to be charged in social housing for all households with incomes of £30,000 with additional rent receipts going to the Treasury not the Council.

The Council considers that the impact of these measures in the City will be to seriously worsen the housing affordability crisis in Cambridge and increase poverty, homelessness and the numbers at risk of being homeless in the City, particularly amongst the young and very low income families.

The Council recognises that for individual tenants who have faced significant above inflation rent increases and falling incomes over the last few years, the Budget proposal to cut social sector rents by 1% for the next four years may well be welcome. However, it also notes that a 1% rent cut will mean a loss of rental income to its Housing Revenue Account of £14,883,000 from 2016 /2017 - 2019/2020 and that loss will have very significant consequences for the Council's plans to build new homes and maintain its services to its current tenants.

The Council therefore resolves to write to the two MPs for Cambridge, Daniel Zeichner MP and Heidi Allen MP, to lay out its concerns and ask them to do all they can to highlight the impact on City tenants of these measures in Westminster.

**Resolved** (unanimously):

To agree the motion as set out above.

**7c** Councillor Gillespie

Councillor Roberts withdrew from the meeting for this item and did not participate in the discussion or decision making.

Councillors Gillespie proposed and Councillor Cantrill seconded the following motion:

## Transatlantic Trade and Industry Partnership

### This Council notes:

1. That the EU and USA launched negotiations in July 2013 on Transatlantic Trade and Investment Partnership (TTIP).
2. That negotiations are underway to determine which goods and services TTIP will apply to and if new rules can be agreed to protect investors, harmonise standards, reduce tariffs and open new markets throughout the EU and USA.
3. That there had been no impact assessment about the potential impact on local authorities.
4. That there has been no scrutiny of negotiating texts by local government and no consultation with local government representatives.
5. That MPs are also unable to scrutinise the negotiating documents.

### This council believes that:

1. TTIP could have a detrimental impact on local services, employment, suppliers and decision-making.
2. A thorough impact assessment of TTIP on local authorities must be undertaken before the negotiations can be concluded.
3. The proposed Investor State Dispute Settlement (ISDS) mechanism has been used by corporations to overturn democratic decisions by all levels of governments at significant public cost. Local decision-making must be protected from ISDS.
4. The EU's food, environmental and labour standards are better than those in the US and TTIP negotiations must raise and not lower these standards across the EU and USA.
5. Sourcing supplies and employment locally is important to strengthening local economies and meeting local needs. TTIP must not impact on local authorities' ability to act in the best interests its communities.

### This council resolves:

1. To write to the secretary of state for communities and local government, local MPs, and all Eastern Region MEPs raising our serious concerns about the impact of TTIP on local authorities and the secrecy of the negotiating process.
2. To write to the local government association to raise our serious concerns about the impact of TTIP on local authorities and ask them to raise these with government on our behalf.
3. To call for an impact assessment on the impact of TTIP on local authorities.

4. To publicise the council's concerns about TTIP; join with other local authorities which are opposed to TTIP across Europe and work with local campaigners to raise awareness about the problems of TTIP.
5. To contact the local authorities of municipalities twinned with Cambridge asking them to consider passing a similar motion on TTIP

Councillor Herbert proposed and Councillor Sinnott seconded the following amendment to motion (deleted text ~~struck through~~ and additional text underlined):

This council notes:

1. That the EU and USA launched negotiations in July 2013 on a Transatlantic Trade and Investment Partnership (TTIP).
2. That negotiations are underway to determine which goods and services TTIP will apply to and if new rules can be agreed to protect investors, harmonise standards, reduce tariffs and open new markets throughout the EU and USA.
3. That there has been no impact assessment about the potential impact on local authorities.
4. That there has been no scrutiny of the negotiating texts by local government and no consultation with local government representatives
5. That MPs are also unable to scrutinise the negotiating documents.

~~This council believes that:~~

- ~~1. TTIP could have a detrimental impact on local services, employment, suppliers and decision-making.~~
- ~~2. A thorough impact assessment of TTIP on local authorities must be undertaken before the negotiations can be concluded.~~
- ~~3. The proposed Investor State Dispute Settlement (ISDS) mechanism has been used by corporations to overturn democratic decisions by all levels of governments at significant public cost. Local decision-making must be protected from ISDS.~~
- ~~4. The EU's food, environmental and labour standards are better than those in the US and TTIP negotiations must raise and not lower these standards across the EU and USA.~~
- ~~5. Sourcing supplies and employment locally is important to strengthening local economies and meeting local needs. TTIP must not impact on local authorities' ability to act in the best interests its communities.~~

This council resolves:

To hold a Councillor briefing and meeting including an invited speaker from LGIU or equivalent organisation, and better informed by that meeting:

1. To write to the secretary of state for communities and local government, local MPs, and all Eastern Region MEPs raising our serious concerns about the impact of TTIP on local authorities and the secrecy of the negotiating process.
2. To write to the local government association to raise our serious concerns about the impact of TTIP on local authorities and ask them to raise these with government on our behalf.
3. To call for an impact assessment on the impact of TTIP on local authorities.
- ~~4. To publicise the council's concerns about TTIP; join with other local authorities which are opposed to TTIP across Europe and work with local campaigners to raise awareness about the problems of TTIP.~~
- ~~5. To contact the local authorities of municipalities twinned with Cambridge asking them to consider passing a similar motion on TTIP~~

On a show of hands the amendment was carried unanimously.

Resolved (by 37 votes to 0) that:

This council notes:

1. That the EU and USA launched negotiations in July 2013 on a Transatlantic Trade and Investment Partnership (TTIP).
2. That negotiations are underway to determine which goods and services TTIP will apply to and if new rules can be agreed to protect investors, harmonise standards, reduce tariffs and open new markets throughout the EU and USA.
3. That there has been no impact assessment about the potential impact on local authorities.
4. That there has been no scrutiny of the negotiating texts by local government and no consultation with local government representatives
5. That MPs are also unable to scrutinise the negotiating documents.

To hold a Councillor briefing and meeting including an invited speaker from LGIU or equivalent organisation, and better informed by that meeting:

1. To write to the secretary of state for communities and local government, local MPs, and all Eastern Region MEPs raising our serious concerns about the impact of TTIP on local authorities and the secrecy of the negotiating process.
2. To write to the local government association to raise our serious concerns about the impact of TTIP on local authorities and ask them to raise these with government on our behalf.

3. To call for an impact assessment on the impact of TTIP on local authorities.

#### 7d Councillor Bick

Councillors Bick proposed and Councillor Reid seconded the following motion:

#### Greater Cambridge Combined Authority

Council calls on the County Council to make a statement, enabling a public debate about the model of devolutionary package it is considering to negotiate with central government and the consequences of this for the already agreed move to create a Greater Cambridge Combined Authority for the governance of integrated planning and transport strategy in the Cambridge city region.

Whilst welcoming the goal of devolving powers from Whitehall, it calls on the Leader, on behalf of this council, to resist any devolution model which frustrates existing moves towards an emergent simpler and more joined-up local government for Greater Cambridge. It re-confirms the goal outlined in the city council's overwhelmingly supported resolution last November calling for a unitary council for Greater Cambridge. As part of current discussions, Council looks for a 'big agreement' among neighbouring partners, which combines a firm commitment to establish a Greater Cambridge unitary council with consideration of any new regional tier of decision-making.

Councillor Herbert proposed and Councillor Blencowe seconded the following amendment to motion (deleted text ~~struck through~~ and additional text underlined):

Delete all after 'Council', and amend so it reads:

Council supports further devolution to Greater Cambridge and Cambridgeshire from Whitehall, as articulated in this week's letter to Greg Clark from all Cambridgeshire and Peterborough council leaders and public bodies, and is seeking improvements in the Cities and Local Devolution Bill to build on that strong partnership.

Delivering improvements now for our residents is our immediate priority,

including by making the case for an improved share of national funding and increased freedoms for service delivery and local decision making.

Our focus as a Council is to build on the strong partnership and increasing achievements of councils within the Greater Cambridge area, working with our Universities and education bodies and local businesses, to improve the lives of Cambridge and Greater Cambridge residents, and help protect the city against future funding cuts from government. This will build on the achievements of the City Deal and our commitment to a Combined Authority for Greater Cambridge, and expand joint delivery and shared services locally.

In addition, we also support working for wider devolution across the Cambridgeshire and Peterborough footprint, including all seven councils and the Local Enterprise Partnership area, helped by the recent securing of Cambridgeshire business rates above growth projections from Treasury.

Building on earlier Council decisions, Council states that our devolution objectives are to

- provide future benefit to the city and Greater Cambridge area;
- aid delivery of the Council's priorities for affordable housing, anti-poverty, transport, skills, service transformation and quality of life within communities and neighbourhoods; and
- recognise the importance to government of Greater Cambridge and Cambridgeshire as a 'Southern Powerhouse', delivering significant extra returns to the Treasury for every additional pound they invest in transport and rail infrastructure, education, skills and research.

Council therefore asks the Chief Executive to write to the Secretary of State for Communities and Local Government

a) to press for Combined Authority provisions in the Bill that are genuinely flexible as promised by the Government spokesperson in the House of Lords on 21st July, and

b) to seek maximum mutually agreed devolution for both Greater Cambridge and for the whole of Cambridgeshire and Peterborough, and our 'Southern Powerhouse'.

On a show of hands the amendment was carried by 27 votes to 0.

**Resolved** (unanimously) that:

Council supports further devolution to Greater Cambridge and Cambridgeshire from Whitehall, as articulated in this week's letter to Greg Clark from all Cambridgeshire and Peterborough council leaders and public bodies, and is seeking improvements in the Cities and Local Devolution Bill to build on that strong partnership.

Delivering improvements now for our residents is our immediate priority, including by making the case for an improved share of national funding and increased freedoms for service delivery and local decision making.

Our focus as a Council is to build on the strong partnership and increasing achievements of councils within the Greater Cambridge area, working with our Universities and education bodies and local businesses, to improve the lives of Cambridge and Greater Cambridge residents, and help protect the city against future funding cuts from government. This will build on the achievements of the City Deal and our commitment to a Combined Authority for Greater Cambridge, and expand joint delivery and shared services locally.

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- provide future benefit to the city and Greater Cambridge area;
- aid delivery of the Council's priorities for affordable housing, anti-poverty, transport, skills, service transformation and quality of life within communities and neighbourhoods; and
- recognise the importance to government of Greater Cambridge and Cambridgeshire as a 'Southern Powerhouse', delivering significant extra returns to the Treasury for every additional pound they invest in transport and rail infrastructure, education, skills and research.

Council therefore asks the Chief Executive to write to the Secretary of State for Communities and Local Government

a) to press for Combined Authority provisions in the Bill that are genuinely flexible as promised by the Government spokesperson in the House of Lords on 21st July, and

b) to seek maximum mutually agreed devolution for both Greater Cambridge and for the whole of Cambridgeshire and Peterborough, and our 'Southern Powerhouse'.

**15/102/CNL Written Questions**

The Mayor advised that no written questions had been received.

The meeting ended at 10.55 pm

**MAYOR**

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### Present:

**Scrutiny Committee Members:** Councillors Todd-Jones (Chair), Baigent (Vice-Chair), Avery, Ashton, Bird, Holland, Moore and Gawthrope

**RECOMMENDATION TO COUNCIL  
(EXECUTIVE COUNCILLOR FOR HOUSING -  
COUNCILLOR PRICE)**

### HOUSING REVENUE ACCOUNT MID-YEAR FINANCIAL REVIEW

The Housing Revenue Account Budget Setting Report, considered and approved in January / February of each year is the long-term strategic planning document for housing landlord services provided by Cambridge City Council.

The Housing Revenue Account (HRA) Mid-Year Financial Review provides an opportunity to review the assumptions incorporated as part of the longer-term financial planning process, recommending any changes in response to new legislative requirements, variations in external economic factors and amendments to service delivery methods, allowing incorporation into budgets and financial forecasts at the earliest opportunity.

The Housing Scrutiny Committee considered and approved the recommendations by 6 votes to 0 with 2 abstentions.

### Accordingly, Council is recommended to:

- i. Approve proposals for changes in existing housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix F(1) of the document, with the resulting position summarised in Appendix I.
- ii. Approve proposals for changes in housing capital investment resulting from the Fundamental Review of the Housing Service, as introduced in Sections 6 and 7 and detailed in Appendix F(2) of the document, with the resulting position summarised in Appendix I.

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To: Executive Councillor for Housing: Councillor Kevin Price

Report by: Julia Hovells, Business Manager / Principal Accountant

Relevant scrutiny committee: Housing Scrutiny Committee 24/9/2015

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

## HOUSING REVENUE ACCOUNT MID-YEAR FINANCIAL REVIEW

### Key Decision

---

#### 1. Executive Summary

- 1.1 The Housing Revenue Account Budget Setting Report, considered and approved in January / February of each year is the long-term strategic planning document for housing landlord services provided by Cambridge City Council.
- 1.2 The Housing Revenue Account (HRA) Mid-Year Financial Review provides an opportunity to review the assumptions incorporated as part of the longer-term financial planning process, recommending any changes in response to new legislative requirements, variations in external economic factors and amendments to service delivery methods, allowing incorporation into budgets and financial forecasts at the earliest opportunity.

#### 2. Recommendations

##### Recommendations to be considered under Part 1 of the Housing Scrutiny Committee Agenda:

The Executive Councillor is recommended:

- a) To approve the Housing Revenue Account Mid-Year Financial Review attached, to include all proposals for change in:

- Financial assumptions as detailed in Appendix C of the document.
- 2015/16 and 2016/17 revenue budgets as introduced in Section 5, resulting from changes in financial assumptions and the financial consequences of change, as introduced in Section 5, detailed in Appendix E (1) of the document and summarised in Appendix H.
- 2016/17 base revenue budgets, to incorporate the savings recommendations arising for the Fundamental Review of the Housing Service, as introduced in Section 5, detailed in Appendix E (2), of the document, and summarised in Appendix H.
- Rent Setting Policy, to allow for the movement of all void properties directly to target rent, as outlined in Section 4 of the document.

### **Recommendations to be considered under Part 2 of the Housing Scrutiny Committee Agenda:**

The Executive Councillor is asked to recommend to Council:

- b) To approve proposals for changes in existing housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix F(1) of the document, with the resulting position summarised in Appendix I, for decision at Council on 22<sup>nd</sup> October 2015.
- c) To approve proposals for changes in housing capital investment resulting from the Fundamental Review of the Housing Service, as introduced in Sections 6 and 7 and detailed in Appendix F(2) of the document, with the resulting position summarised in Appendix I, for decision at Council on 22<sup>nd</sup> October 2015.

### **3. Background**

- 3.1 The Housing Revenue Account budget was set for 2015/16 as part of 2015/16 HRA Budget Setting Report, approving a net contribution from reserves in the year of £990,780.
- 3.2 This figure was later amended to reflect approvals to carry forward expenditure originally anticipated to be incurred in 2014/15 into 2015/16 as part of the closedown process for 2014/15. Following

these changes, the sum of £10,262,900 was anticipated to be required as a contribution from reserves for the year.

- 3.3 The HRA Mid-Year Financial Review revisits the assumptions made as part of the HRA Budget Setting Report, and recommends both changes in these, and in some areas of budgeted expenditure and income for 2015/16 and beyond.
- 3.4 The resulting financial impact for the Housing Revenue Account is explained and summarised in the attached document and appendices.

## **4. Implications**

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

The financial implications associated with the HRA Mid-Year Financial Review are incorporated as part of the document itself and the associated appendices.

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

Staffing implications resulting from the Fundamental Review of the Housing Service have been addressed as part of the report following the review, which is also presented to Housing Scrutiny Committee in this committee cycle.

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

An Equalities Impact Assessment in respect of the changes incorporated into the HRA Mid-Year Financial Review, including those identified as part of the Fundamental Review of the Housing Service, has been completed, and is available as a background paper.

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

The environmental implications of any changes proposed as part of the HRA Mid-Year Financial Review will be addressed by the officer responsible for the associated income or expenditure.

### **(e) Procurement**

There are no direct procurement implications associated with this report.

(f) **Consultation and communication**

Tenant and Leaseholder representatives are being consulted on the proposals in the HRA Mid-Year Review as part of the Housing Committee scrutiny process. No formal consultation with residents or staff has been undertaken at this stage, but in respect of some of the proposed changes in service, will now follow.

(g) **Community Safety**

There are no direct community safety implications associated with the HRA Mid-Year Financial Review.

## **5. Background Papers**

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

- Housing Revenue Account Mid-Year Financial Review (October 2014)
- Housing Revenue Account Budget Setting Report (February 2015)
- Equalities Impact Assessment

## **6. Appendices**

Appendix A      Housing Revenue Account Mid-Year Financial Review

## **7. Inspection of Papers**

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

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

Version 2  
Housing Scrutiny  
Committee

# Housing Revenue Account Mid-Year Financial Review (Business Plan Update)



September  
2015

2015/16 to 2044/45

Cambridge City Council

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# Section 1

## Introduction and Local Context

### Foreword by the Executive Councillor for Housing

This is a critical time for Cambridge and the Council's role as a local housing authority. I would like to pay tribute to all our officers who work tirelessly for our tenants and for those in the City who are vulnerable or facing homelessness and difficult times. The service we offer is exceptional and it is underpinned by our vision of One Cambridge - Fair for All.

The Mid Year Financial Review is the time we take stock of our progress towards the goals we set ourselves for the current year and I am confident that we are meeting those goals. However it is impossible to ignore that the government's Emergency Budget in July has changed the landscape dramatically for stock owning councils. Whilst much of the focus nationally has been on our partners in the social sector - housing associations - and the heavy impact on them of measures such as the 1% rent cut for the next four years, further welfare reform and the extension of Right to Buy to Housing Association tenants, the stark picture facing stock owning councils has been less well reported.

We began this year with the need for a comprehensive review of the Housing Revenue Account to drive out inefficiencies and free up capital for our key goals of maintaining and improving our housing stock and services and building more social sector homes. Following the Emergency Budget many of the assumptions underpinning our Business Plan have been radically altered and will require us to rethink the Plan.

The disadvantages facing stock owning councils cannot be understated. We are being penalised through the original Right to Buy sales and the proposed extension to Housing Associations through compulsory sales of our own council stock and in neither scheme can we retain enough receipts to replace our lost stock. Under the proposals for Pay to Stay councils also cannot retain any additional income but are required to pass it onto the Treasury. Our capacity to borrow against our stock is

severely constrained by the Housing Revenue Account debt cap and will shrink yet further in the future from a dwindling asset base and reducing income stream from rent receipts. The impact of the 1% rent cut for social sector tenants, renegeing on a 10 year rent settlement agreed only last year, may be welcome for many tenants who have struggled with higher than inflation rent increases over the past few years but comes at a heavy cost to the Council. £14,883,000 in planned rent receipts has been lost over the next four years and an estimated £156,000,000 over the life of the Business Plan, and we will need to find ongoing savings of £6,003,000 from the base Housing Revenue Account by 2019/20. Whilst we are determined to protect our core services as much as possible there can be no doubt that these cuts will bite deep.

The City Council houses over 7,000 households in our own stock and offered homes to over 480 new households last year, in a city where housing affordability is the greatest challenge. Our plans to deliver new social housing are ambitious. Our work in preventing and meeting the rising levels of homelessness and in supporting vulnerable or older tenants is strong and effective.

At a time when our achievements are under serious threat from national policy, we must look to our partners in the social sector and the City Deal and our tenants and residents for support in challenging those policies. We must stand firm on the value of a strong social housing sector and ensure that our voices are heard at the highest levels in Westminster.

Kevin Price  
Executive Councillor for Housing

*Councillor Kevin Price.*

# Background

The Housing Revenue Account (HRA) Mid-Year Financial Review is to be read in conjunction with the original HRA 30-Year Business Plan approved in February 2012, which sets the scene for the current financial environment and the HRA Budget Setting Report of February 2015.

This report considers whether there are any material changes which need incorporating in year, into the financial planning for the HRA in advance of the 2016/17 budget process, recommending any changes to the financial strategy. The report makes proposals for the development of both revenue and capital budgets for 2016/17, providing an indication of any change in the impact on the HRA Business Plan.

The HRA Mid-Year Financial Review incorporates a review of the current year budget position (2015/16) and updated projections for the following 4 years from 2016/17 to 2019/20, demonstrating the full-year effects of any changes in assumptions, with their impact for services. The report will include changes in assumptions, either as a direct result of external factors, economic climate, national policy and legislation or as a result of decisions taken locally.

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

- Items which for exceptional reasons require immediate action or approval
- Items which provide context for decisions on the financial strategy, influencing:
  - o The level at which any Priority Policy Fund (PPF) is set.
  - o The level at which the HRA savings target is set.

## Timetable

Committee dates in the financial planning and budget preparation timetable are shown below:

Date	Task
<b>2015</b>	
29 September	Executive Councillor for Housing considers HRA Mid-Year Financial Review and incorporates Housing Scrutiny Committee views in recommendations to Council
22 October	Council considers HRA Mid-Year Financial Review
<b>2016</b>	
13 January	Executive Councillor for Housing considers HRA Budget Setting Report, approves rent levels and revenue budgets, following consideration of Housing Scrutiny Committee views, making final capital related recommendations to Council
25 February	Council approves HRA Budget Setting Report

The detailed corporate budget timetable, with the HRA impact highlighted, is attached at Appendix A.

# Section 2

## Housing Stock

### Housing and Leasehold Stock

#### Housing Stock (dwelling stock owned and managed in the HRA)

Housing Category (Including Shared Ownership)	Actual Stock Numbers as at 1/4/2015	Estimated Stock Numbers as at 1/4/2016
General Housing	6,393	6,476
Sheltered Housing	509	509
Supported Housing	24	24
Temporary Housing (Individual Units)	52	52
Temporary Housing (HMO's / EA)	19	19
Miscellaneous Leased Dwellings	19	18
Shared Ownership Dwellings	79	79
<b>Total Dwellings</b>	<b>7,095</b>	<b>7,177</b>
Property Type (Excluding Shared Ownership)	Actual Stock Numbers as at 1/4/2015	Estimated Stock Numbers as at 1/4/2016
Bedsits	108	108
1 Bed	1,671	1,699
2 Bed	2,365	2,413
3 Bed	2,255	2,262
4 / 4+ Bed	108	107
Sheltered Housing	509	509
<b>Total Dwellings</b>	<b>7,016</b>	<b>7,098</b>

#### Leasehold Stock

At 1<sup>st</sup> April 2015, the Council retained the freehold and managed the leases for 1,129 leasehold flats.

## Housing Stock Changes

The table below compares reductions in the general housing stock in the last 10 years through right to buy sales, other sales, re-development and conversion, with increases in the number due to new build dwellings and acquisitions.

Year	Opening Stock	RTB's	Other Disposals / Demolitions	Conversions / Other Changes	Acquisitions / New Builds	Closing Stock
2014/15	7,164	(51)	(109)	(7)	19	7,016
2013/14	7,235	(60)	(45)	1	33	7,164
2012/13	7,280	(41)	0	(6)	2	7,235
2011/12	7,290	(12)	0	0	2	7,280
2010/11	7,364	(17)	(62)	0	5	7,290
2009/10	7,387	(13)	(2)	(8)	0	7,364
2008/09	7,438	(6)	(44)	(1)	0	7,387
2007/08	7,524	(43)	(42)	(1)	0	7,438
2006/07	7,600	(72)	(2)	(2)	0	7,524
2005/06	7,687	(81)	(2)	(4)	0	7,600
Total		(396)	(308)	(28)	61	

# Section 3

## The National Policy Context and External Factors

### External Factors

As part of the Housing Revenue Account Mid-Year Financial Review, the financial assumptions made as part of the HRA Budget Setting Report of February 2015 are reviewed, and amended where appropriate. The impact that external factors, outside of the control of the organisation, have on the operation of the housing business, is key in decision making.

A table detailing all of the revised business planning assumptions is included at Appendix C.

#### Inflation Rates

The base rate of inflation used to drive expenditure assumptions in the HRA financial forecasts is the Consumer Price Index (CPI). Having reviewed changes in this measure of inflation over the past 12 months, the average rate of growth has dropped significantly compared with previous year, to 0.5%, with the downward trend escalating over the last 6 months, with rates at 0.1% at July 2015.

However, recognising the government's medium term view that CPI should rise at 2%, it is proposed to retain the base inflation rate of 2% included in the HRA financial model as part of the HRA Budget Setting Report.

Expenditure in respect of building maintenance is inflated in the financial forecasts using the Building Cost Information Service (BCIS) all in tender price index. This index is historically volatile, with huge peaks and troughs in the rates between years. The industry is performing well at present, with an increase in building projects and a shortage in materials and labour driving an increase in the inflation indices. According to the RICS (Royal Institution of Chartered Surveyors) BCIS All in Tender Price Index, figures in recent periods have shown increases of between 6% and 9%, with predictions for the coming 5 year period being for increases of between 4.5% and 6% as the industry continues to cope with increasing demand.

Based upon this latest external expert opinion, and their predictions provided for the coming 5 year period, it is recommended that the assumption incorporated is that this index continues to increase at 5% for a further 5 years. After this point, the assumption will revert to that previously assumed, at 1% above CPI over the longer term and for the remainder of the plan.

## **Interest Rates on Lending**

The Council lends externally, on a short-term basis, any cash balances that are held at any point within the financial year. If the balances held, whether revenue, or more recently capital in nature, relate to the Housing Revenue Account, the interest earned by the authority is credited to the Housing Revenue Account.

Although, following legislative changes from April 2014, the level of balances which the HRA holds and is entitled to receive interest upon is higher than in the past, the rate of interest receivable on the investment of these balances and reserves remains relatively low. The authority has diversified some investments in 2014/15, with £10,000,000 invested in the CCLA (Churches, Charities and Local Authorities) Investment Fund, where investment is anticipated to provide a greater return, thus increasing the average rate of external interest earned by the authority, and therefore the HRA. Revised interest rate assumptions are included in Appendix C.

## **Interest Rates on Borrowing**

The Council secured preferential borrowing rates from the Public Works Loans Board (PWLB), of between 3.46% and 3.53% for the self-financing loan portfolio taken out on 28<sup>th</sup> March 2012.

Any additional borrowing must be within the level of the current HRA borrowing cap, resulting in maximum additional borrowing in the region of £16m. There is the potential for the borrowing cap to be increased in future years, with government ministers confirming a willingness to consider requests on a case by case basis.

There is still the possibility that some of the additional borrowing anticipated in the HRA may be met internally by borrowing from the General Fund, although this is not guaranteed, as it would be subject to the availability of the resource at the point at which it is required. The option to internally borrow would be fully explored before any decisions were taken for the authority to prudentially borrow.

For the purpose of financial planning, the assumption that the HRA will borrow externally has been retained, thus ensuring that the assumed interest rates payable will be sufficient to meet the cost of this borrowing route if required.

The authority has taken advantage of a certainty rate from the Public Works Loans Board (PWLB), ensuring that any prudential borrowing for the HRA can be secured at 20 basis points (0.2%) below the standard PWLB lending rates. The agreement runs for a year at a time, with the current agreement expiring in October 2015. If available again from October 2015 onwards, the authority will again subscribe to this offer to maintain the greatest degree of flexibility possible.

The external borrowing rate assumed in the HRA Budget Setting Report was 4%, and having reviewed the rates currently available from the PWLB for maturity loans with a 30 year duration, and without any guarantee that the certainty rate will continue to be available, it is considered prudent to retain this assumption as part of the HRA Mid-Year Financial Review.

## **Right to Buy Sales**

In 2014/15, 103 right to buy applications were received and recorded, compared with 114 and 135 in the two previous years respectively. This demonstrates a marginal reduction in activity, following the steep escalation experienced from April 2012, when the scheme was re-invigorated by government.

It is difficult to predict future right to buy activity, but a reduction in the qualifying period, and an annual inflationary increase in line with CPI, in the level of discount receivable, are anticipated to contribute to maintaining interest at higher levels in the short to medium term.

In 2014/15, 51 of the applications proceeded to completion of the sale of the property, compared with 60 in 2013/14. In the first 3 months of 2015/16, 9 completions took place, indicating a slowing down in activity.

However, in a bid to further support tenants in buying their council homes, the government has reduced the qualifying period from 5 to 3 years, and has recently introduced the Right to Buy Agent, an advice service for tenants.

It is impossible to accurately predict future sales, although it is anticipated that the reduction in the qualifying period and a proposal to charge market rents for all households earning over £30,000 per annum, may cause some re-escalation in sales levels that were otherwise starting to show some signs of slowing again.

With this in mind, it is considered prudent to marginally increase the assumption of sales from those previously incorporated into the financial models, retaining 50 sales in 2015/16, 45 in 2016/17, 40 in 2017/18, 35 in 2018/19, 30 in 2019/20 and 25 sales per annum from 2020/21 onwards.

## **Right to Buy Receipts**

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

After sharing receipts from the number of sales assumed in the HRA Self-Financing Settlement with CLG in the statutorily agreed proportions, and retaining a proportion of the receipt from any additional sales in recognition of the debt that the authority holds in respect of the asset, the balance of capital receipts is ring-fenced for one-for one (1-4-1) investment.

In line with the retention agreement with CLG, receipts must be spent to fund the delivery of new social housing, with a maximum of 30% of any dwelling being funded via this mechanism. The balance must be funded from the Council's own resources or through borrowing. There is a 3-year time limit on delivery of the new unit, with the receipt having to be paid to central government, with interest (at 4% above the base rate) if not spent appropriately.

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

Whilst held, the capital receipts can be invested by the authority to earn interest in the short-term, but if not re-invested appropriately within the 3 year time frame, have to be paid over to central government, with the 'penalty' interest payable at 4% above the base rate, far exceeding the level of interest that is likely to have been earned in the interim.

It is clear from the table at Appendix D that although a deadline has not been breached yet, which would require the authority to pay retained receipts over to CLG with the associated interest due, the first set of deadlines are now upon us, and a very significant amount of new build expenditure is now required in each and every quarter, in order to avoid the penalty.

We have reached the stage, where it may be necessary to consider some strategic acquisitions in the short-term in order to meet the deadlines, but a decision in this regard, will need to take account of the subsequent impact on existing new build schemes. Alternatively, we should explore the option to pass retained receipts to registered providers, so that they may use them to deliver affordable housing to which we would receive the nomination rights. The same time constraints apply in this instance, as does the need for the 70% top up funding.

In light of the recent announcements about changes in housing policy, it is proposed that at the end of each quarter, the Head of Finance, as Section 151 Officer, in consultation with the Director of Customer & Community Services and the Executive Councillor for Housing, makes a decision as to whether right to buy receipts are retained or paid directly over to central government. The decision will take account of the authority's ability to identify the 70% top up funding to enable use of the receipt in house and failing this, the potential for the receipt to be passed to a registered provider, with both options maximising the use of the resource and creation of new homes in the locality. Payment of the sums to central government will happen only if there is a considered risk that the resource cannot be utilised appropriately within the required timeframes. This approach is anticipated to mitigate any impact of the need to pay receipts over to central government at a later stage, alongside the interest penalty that would be incurred.

# National Housing Policy

## **National Rent Setting Policy**

As part of the July 2015 budget, the Chancellor of the Exchequer announced a significant departure in rent policy, from that previously applicable for local authorities, despite the confirmation when the previous policy was announced that it would span a ten year timeframe to give local authorities some certainty and stability over rental income, which would in turn support investment for new build social housing.

The latest announcements require both local authority landlords and registered providers to apply a 1% reduction in rent levels across each of the next four years, from April 2016, through to April 2019. This compares to the assumption that had previously been incorporated into our financial plans of an inflationary increase each year comprising CPI, the Consumer Price Index, assumed to run at 2%, plus an additional 1%.

This change will result in rental income levels that are in excess of 4% per annum less than has been assumed in financial planning to date, and will have a significant and detrimental impact on the authorities ability to maintain housing services, whilst also investing in the delivery of new build affordable housing.

## **Market Rents for Higher Income Households**

The July 2015 budget also included announcements of the intention to charge those in existing social housing with a household income in excess of £30,000 (£40,000 in London) a market rent for living in their home.

It is clear from the announcement though, that local authorities will be expected to collect the higher rent levels, but will not keep any additional revenue generated, instead being required to pay the differential over to central government.

It is not yet clear how data will be gathered to allow charging of the higher rents, but it is anticipated that the administrative burden associated with this will be significant. As market rents in Cambridge are high, the proposal will also significantly impact both tenants ability to live in their homes and also the local authority, with the risk of higher rent arrears and debt write off levels.

A government consultation in respect of implementation of the proposal is anticipated shortly, at which point the impact for the HRA may be clearer.

## **Mandatory Disposal of High Value Housing Stock**

In advance of the June 2015 elections, proposals were released which suggested that local authorities should be required to sell any property that is valued in the top third for the area, on the open market at the point at which it becomes void.

Following the elections, the Government confirmed the intention to implement this proposal, which is being referred to as RTB2, with the proceeds from the sale of these assets intended to fund the ability for right to buy to be extended to tenants of all registered housing providers.

It is not clear yet how this proposal will be implemented in detail, the basis upon which local authorities will be required to assess the value of their housing stock when dwellings become void, whether the entire housing stock will be included within the requirement or how the scheme will be administered. However, using the median values for this area that were quoted in communications from central government post-election, coupled with the housing stock valuations undertaken for accounting purposes at 1<sup>st</sup> April 2015, it is estimated that approximately 25% of the housing stock would fall into the category of high value, with the authority compelled to sell it as it becomes void, paying the capital receipt over to central government. There were indications in the early announcements that authorities would receive financial compensation for the debt deemed to be held on each of these assets, but until either a formal consultation or detailed implementation guidance are released, we are not clear of the full impact for the HRA. It is unclear, for example, whether re-development and new build sites will be subject to compulsory sale, as these may well all be above median values from the outset.

For the purposes of the HRA Mid-Year Financial Review an assumption of the compulsion to sell approximately 1.8% of the housing stock each year has been incorporated, which is representative of just under 130 properties per annum at the outset.

## Welfare Reforms

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

At the end of March 2015, approximately 389 HRA tenants were affected by the reduction in housing benefit as a result of removal of the spare room subsidy. At 2014/15 over 75% of the residents affected were paying the additional rent due, and it was estimated that £37,000 of arrears related to households affected by this change. From April 2015 these arrears are being monitored within our standard arrears performance indicators.

The Benefit Cap, (a cap of £500 per week for families, and £350 per week for a single person), introduced from 15th July 2013, affected 10 City Council tenants at the end of March 2015,

based upon the cases notified to us by the Department for Work and Pensions (DWP) at the time of writing this report. In respect of these cases, Discretionary Housing Payment (DHP) continues to be considered, with time-limited top-up payments being awarded to support the most vulnerable tenants whilst alternative options are considered. During 2014/15, approximately £118,000 of DHP was awarded to Council Tenants to support people affected by the Benefit Cap and the removal of the spare room subsidy.

Housing related costs are being incorporated into Universal Credit for working age tenants in a phased approach, starting with new claims for single job seeker claimants. For Cambridge residents this will start with new unemployed claimants claiming out of work job benefits from 29 February 2016 receiving Universal Credit with a housing costs element rather than Housing Benefit. This will affect only a small number of claims in the first instance. The timetable for rolling out to couples, those with families and those who are unable to work due to disability is not yet known.

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

Key areas of support are:

- Access to digital support for claimants
- Triage of claimants (assessment of needs)
- Personal Budgeting Support

Working age claimants will not receive housing support through Universal Credit if they live in certain specified accommodation types. Support will continue for these people through Housing Benefit.

Pensioners will not claim Universal Credit but will continue to receive Housing Benefit, calculated locally.

The intention is that all new applications for housing costs are via Universal Credit and this will be fully implemented by the end of 2017. However, if in early 2018 it appears that natural migration to Universal Credit will take too long, managed migration will be introduced.

Significant changes to Welfare Reform have been announced in the Summer Budget 2015, with the most significant changes affecting Child Tax Credits, but many will also apply in Universal Credit and will also have impacts on Housing Benefit and Council Tax Support entitlements. There is also the potential for additional changes to be unveiled in the Autumn Statement later in 2015.

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

## Support for Vulnerable People

Cambridge City Council entered into a new contract with the County Council for the delivery of support services to older people across the city from 30<sup>th</sup> April 2014. The contract runs until the end of April 2017, with an option to extend for up to two further years. Services are now delivered on a city-wide basis and not just to HRA residents as was the case previously. Needs assessments have been carried out, to ensure that limited service capacity is directed towards those in the greatest need, with signposting to other agencies provided for those with lower support needs.

The authority is also contracted to deliver support services in both extra care housing and temporary accommodation across the housing stock, with both contracts operating under temporary extensions whilst the County Council decide upon the most appropriate delivery vehicle for the future. Discussions have been taking place with the County Council, and it is anticipated that the City Council may cease to deliver support services in Temporary Housing from April 2016, but that there could be continuity in respect of the care and support provision at Ditchburn Place, although neither assumption is definite at this stage. In respect of the support provision in Temporary Housing, there is no assumption in our financial plans that the funding for this will continue beyond April 2016, but if funding does cease the authority will need to consider the level and nature of the service it is prepared to provide going forward.

Funding for the provision of alarms, and the telephone response to alarms, in sheltered and older persons housing will cease at the end of March 2016. However, continued provision of these services across our housing stock, will form the basis of a separately identified service charge. All costs associated with the provision of, and response to, an alarm will form part of a newly identified benefit ineligible service charge, which will be payable by all residents benefiting from the service, and not just the proportion who are self-funders, as is the case at present.

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

Contract	No. of Units	Contract Status	County Support Funding 2015/16 (£)	Estimated County Support Funding 2016/17 (£)	Risks / Ongoing Assumptions
Temporary Housing	60	Block Gross Contract – Extension Expires 31/3/2016.	80,000	0	Uncertainty exists around County Council's plans after March 2016, although it is assumed that no funding will be provided.
Older People Support Services	City-Wide	Fixed Price City-Wide Contract – Expires 30/4/2017, with an option to extend for up to 2 further years	180,000 + residual TUPE costs for the early part of 2015/16 only of approx. £9,000	180,000	The additional funding for an initially higher staffing level has ceased. Demand for services across the city could well outstrip supply, with services only able to be delivered to those in greatest need.
Sheltered Housing Alarms	470	Contract addendum to extend until 31/3/2016.	9,440	0	Supporting People funding for alarm services will cease with effect from 31/3/2016
Community Alarms (HRA Stock)	34	Contract addendum to extend until 31/3/2016.	7,830	0	Supporting People funding for alarm services will cease with effect from 31/3/2016
Ditchburn Place (Extra Care)	36	Block Gross Contract (Part of Care Contract) – Extension expires 31/3/2015.	45,740 (Accounted for outside of the HRA)	TBC	Uncertainty exists around the County Council's plans for care at Ditchburn Place post March 2016
<b>Total County Council Support Funding</b>			<b>332,010</b>	<b>180,000</b>	

# Section 4

## Revenue Resources – Rent and Other Income

### Rent Arrears and Bad Debt Provision

Rent collection performance locally has been consistently good, with approximately 99% of the value of rent due, collected in 2015/16.

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

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2011	£582,400	1.88%	£746,852
31/3/2012	£655,177	1.98%	£863,677
31/3/2013	£661,246	1.86%	£862,042
31/3/2014	£619,986	1.68%	£967,755
31/3/2015	£637,735	1.67%	£763,491

Improving the performance with regard to collection of rent income is key in the delivery of the Housing Revenue Account Business Plan, particularly in respect of collection of current tenant arrears at a point before the tenant moves on and the former tenant arrear is significantly more difficult to recover.

Performance in the collection of current tenant debt was broadly maintained in 2014/15, despite the ongoing impact for residents of both the social sector size criteria reduction in housing benefit and the benefit cap. Officers continue to work proactively with all tenants, but particularly those already, or soon to be, affected by the benefit changes, in an attempt to mitigate any negative financial impact on the Housing Revenue Account. Additional staffing

resource has been directed at supporting those facing financial difficulties, in an attempt to ensure that residents react appropriately to the changes and get all of the financial assistance to which they are entitled.

There is still a need to focus on reducing former tenant arrears, where the value increased dramatically between 2011 and 2014. Considerable work was undertaken during 2014/15 to either actively recover, or alternatively to write off, these debts, but there is still work to do to ensure that the former tenant debt held is that which is realistically collectable. Provision is made in the Housing Revenue Account to write off just over 90% of former tenant debt, but a decision to do this is not taken until all avenues for collection have been exhausted. A revised Write Off Policy was approved at Housing Scrutiny Committee in June 2015, and the officer processes surrounding recovery and write off of former tenant debt have been reviewed in line with this, encompassing a streamlining of the administrative process once recovery activity has been exhausted.

The position in respect of rent arrears as a whole is anticipated to worsen during 2016/17, with the introduction of Universal Credit, with pilot authorities seeing a marked increase in their level of rent arrears.

Taking the information above into consideration, the higher level of contribution that was previously approved and incorporated into financial plans for the bad debt provision from April 2016, assuming the need to collect 100% of rent from then, is recommended to be retained. Further consideration, as part of the 2016/17 budget process, will need to be given to whether this should be increased further in light of the experience of the some of the authorities with earlier timetabled go live dates. Arrears levels in the authorities that piloted direct payments experienced a drop in collection levels from approximately 99% to 95%, with the need to provide for the difference.

At 31 March 2015, the provision for bad debt stood at £1,203,043, representing 85.9% of the total debt outstanding.

## Void Levels

The value of rent not collected as a direct result of void dwellings in 2014/15 was £320,237, representing a void loss of 0.88%, compared with £330,126 in 2013/14, representing a void loss of 0.93%.

Void levels remain relatively low in 2015/16 to date, although there are a number of properties held as 'management or major voids', either awaiting sale on the open market or a significant level of investment prior to re-let. Void performance excludes these types of void dwelling, ensuring that the authority has a proper picture of those dwellings vacant, but anticipated to be available for re-let once any standard void works have been completed.

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

## Rent Restructuring

Rent restructuring, which was designed to ensure consistency in rent levels for all social housing tenants irrespective of landlord by introducing a formulaic target rent for each property, is still the prescribed method of calculation for social housing rents, although recent changes in Government policy will overlay this base formula, and will constrain our ability to charge rent restructured rents in many instances.

Cambridge City Council has always followed government guidelines in setting rents, with some of the constraints imposed over the last 13 years meaning that actual rents charged locally, are still considerably lower than the target rents across the housing stock as a whole.

Since April 2015, the gap between target and actual rents can only be closed at the point at which a property becomes vacant, when the rent is expected to be moved directly to the target rent level, with it taking many years before the housing stock as a whole reaches target rent levels.

The average target rent at the start of 2015/16 across the housing stock was £105.98, with the average actual rent charged being £101.04, both recorded on a 52 week basis. The average actual rent was therefore representative of 95.3% of the average target rent, with only 12.9% of the housing stock being charged at target, or new affordable, rent levels.

The gap between actual and target rent levels equates to an annual loss of income of approximately £1,822,000 across the HRA, compared with the income assumption in the HRA Self-Financing Debt Settlement, where convergence was anticipated by now.

## Rent Policy and Rent Setting

As identified in Section 3, National Housing Policy, significant changes have either been made, or proposed, nationally that will impact rent setting policy from April 2016.

These changes include:

- The instruction that social housing rents must be reduced by 1% in real terms in each of the next 4 years, beginning in April 2016, which compares to the 3% per annum increase that has previously been assumed. This change is anticipated to be imposed through legislation incorporated into the Welfare and Work Bill 2015
- The assumption that all households with annual incomes in excess of £30,000 (£40,000 in London) will be required to pay market rent levels, with the increased income collected by local authorities as a result of this change being payable to central government.

The financial impact of an imposed rent reduction of 1% per annum for the next four years has a significant financial impact on the HRA, and its ability to invest in both existing housing services and the creation of new homes.

The estimated loss of rental income over the next four years is:

Year	Estimated Rent Loss (£)	Cumulative Rent Loss (£)
2016/17	1,466,000	1,466,000
2017/18	2,951,000	4,417,000
2018/19	4,463,000	8,880,000
2019/20	6,003,000	14,883,000

From 2019/20 there will be the need to have incorporated a base reduction in assumed rental income of £6,003,000 per annum on an ongoing basis, assuming that rent increase are returned to a level of CPI plus 1% following the four year national rent reduction promise.

For the purposes of business planning, the view is being taken that rent increase will be re-introduced at current levels after the four year rent reduction period, and although this view is supported by professionals in the housing advisory sector, there is no guarantee that it will be the case.

There is still an assumption that the legislative changes being introduced as part of the Welfare and Work Bill 2015 to impose the rent reduction, allow the transition of void properties directly to target rent (or at least the target rent less the 1% rent reduction applicable in each year). We await detailed guidance to confirm this assumption, but have made the assumption for financial planning purposes.

From April 2013, the authority introduced a policy which allowed for the transition of energy efficient void properties direct to target rent before re-let. Following the recent national changes in housing policy, it is now proposed that all void properties are moved directly to target rent before being re-let, if this approach is still deemed allowable once detailed guidance has been issued. This assumption, generating in the region of an additional £165,000 in rent income over the next 5 years, has been incorporated into the financial plans for the HRA, and the Rent Setting Policy will be amended accordingly if the proposal is agreed.

A requirement to charge market rents to all households who earn in excess of £30,000 per annum is expected to have a significant impact on tenants locally, and in turn the HRA. Although it is clear that the central government expects any additional rental income received to be paid over to them, it is possible that the local authority will pick up both the administrative burden of imposing the differing rent level which will be hugely labour intensive, and the potential for a resulting increase in rent arrears and bad debts, where tenants earning not much more than the £30,000 threshold find it impossible to meet the costs of living once they incorporate a Cambridge market rent.

A government consultation is anticipated in respect of this proposal, and the resulting impact of this will need to be incorporated into financial planning as soon as the outcome is clear. Indication was also evident in the July budget, that the government has a commitment to review the use of secure tenancies, and to potentially limit their use.

Once the government proposals are clear, further consideration will be given to any resulting changes in Rent Setting Policy at a local level as part of the 2016/17 HRA budget setting process, either as part of the HRA Budget Setting Report or as the subject of a specific Housing Scrutiny Committee report at the same time. Rent levels will continue to be set in January of each year, with the Executive Councillor for Housing having delegated authority to make this decision, following consideration and debate by Housing Scrutiny Committee.

# Reserves

## Housing Revenue Account General Reserves

Reserves are held partly to help manage risks inherent in financial forecasting and budget-setting. These risks include changes in inflation and interest rates, unanticipated service demands, rent and other income shortfalls, and emergencies, such as uninsured damage to the housing stock. In addition, reserves may be used to support the Housing Capital Investment Plan and, in the short-term, to support revenue spending, for example to spread the impact of savings requirements over more than one financial year. For the Housing Revenue Account the intended target level of reserves remains at £3m, with a minimum level of reserves of £2m.

The impact on HRA reserves for 2014/15, and 2015/16 to date is shown in the table below:

Budgeted or Actual Use of / (Contribution to) HRA Reserves	Financial Year	
	2014/15 £'000	2015/16 £'000
Opening General HRA Reserves	(8,881)	(14,865)
<b>Changes in HRA Reserves</b>		
Original Budget (Approved in February)	(70)	991
Carry Forwards (Approved in June)	3,393	9,272
MFR Mid-Year Review (Approved in October)	2,573	192
Budget Setting Report Revised Budget (February)	(1,085)	-
Estimated Closing General HRA Reserves	<b>(3,300)</b>	<b>(4,410)</b>
Actual Outturn for the Year (Reported in June)	(4,771)	-
Actual Closing General HRA Reserves	<b>(14,865)</b>	-

The original budget for 2015/16 approved a net use of reserves of £990,780, recognising the desire to hold target HRA general reserves of £3,000,000 over the longer term. The budget incorporated a revenue contribution of £10,968,440 to fund capital expenditure.

The financial projections incorporated into this report include the effects of changes in capital scheme approvals and resources, approved carry forwards from 2014/15 and incorporation of changes in anticipated interest due for 2015/16 based upon revised cash balance assumptions as part of this HRA Mid-Year Financial Review.

The final general HRA reserves position for 31 March 2015 was £14,864,834. This included a return to general HRA reserves of £1,213,363 previously ear-marked for repairs and renewals and pension increases, and funding of £9,272,120, which is required to fund the approved carry forward items.

The revised projection of the use of reserves in the current year (2015/16) now indicates that there is expected to be a net use of reserves of £10,454,680, which would leave a balance of £4,410,153 at 31<sup>st</sup> March 2016.

There is a proposed use of £20,191,440 of direct revenue financing of capital expenditure in 2015/16 and £11,257,520 in 2016/17, which is possible with the current level of HRA reserves, built up from underspending in prior years. From 2017/18, there is not expected to be the capacity to utilise any revenue surplus in this way, as the previously assumed levels of rental surplus will not now be available.

## **Earmarked Funds**

In addition to General Reserves, the Housing Revenue Account still maintains a small number of earmarked or specific funds which are held for major expenditure of a non-recurring nature or where the income is received for a specific purpose. See Appendix J for detail of existing balances held.

# Section 5

## Detailed Review of Revenue Budgets

### Fundamental Review of the Housing Service

A detailed financial review of both HRA and Housing General Fund Services has been carried out over the last 9 months, led by the Director of Customer and Community Services, culminating in a report which is also being presented to Housing Scrutiny Committee in September 2015.

The review aimed to look at historic spending, consider future pressures and investment opportunities, identify areas for saving and rebalance / redirect HRA resource in line with the objectives of the service.

Since the outset of the review, major national changes in both financial and housing policy, have dictated the pace at which some of the proposed actions are now required to be delivered within, and have constrained some of the previous flexibility in investment decisions.

The review considered the housing service within 9 key areas of service delivery, including:

- Decent Homes and Other Planned Works
- Responsive, cyclical and Void Repairs
- RTB, Shared Ownership and Leasehold Services
- General HRA Services
- Special HRA Services (including support)
- City Homes Estate Improvement Programme
- Housing Plus Opportunities
- Emerging Priorities (Including New Build)
- General Fund Housing Services

The findings of the review are presented in full in the report to Housing Scrutiny Committee, with the financial implications of the recommendations having been incorporated into both the Business Plan for the HRA and this report, driving the budget strategy which is ultimately proposed in this document.

## 2015/16 & 2016/17 Budget

In addition to reviewing the prior year outturn, 2015/16 budgets have been scrutinised as part of the Fundamental Review of the Housing Service, in order to make detailed proposals for change from April 2016 onwards. The resulting recommendations from the revenue aspects of the review are summarised below:

### **Revenue Planned Maintenance**

This area of expenditure relates predominantly to the programme of works to the outside of properties and associated structures, to ensure that the timber is maintained in good order. It will include preparatory work prior to any painting of the external elements of the building, and the painting itself. A lower level of investment is proposed in this area, by both extending the timeframe over which work is carried out, and recognising the volume of UPVC that has been installed across the housing stock over the last 25 years.

### **Responsive, Cyclical and Void Repairs**

Changes have been made to the delivery of the Response and Void Repairs Service over the past 3 years, but the review has identified the potential for further efficiencies across the service. Proposals include further reduction on our reliance on sub-contractors, the review, and potentially removal of response repairs pre-inspection activity and the introduction of further efficiencies in the in-house operation, either by increasing income to the HRA by selling services to others, or by reducing input into the service.

### **RTB, Leasehold and Shared Ownership Services**

Following a Leasehold Service was reviewed during 2014/15, with resulting recommendations to increase staff resources from 2015/16, recognising the increase in activity across the service. Reinvigoration of the right to buy scheme, increased discounts levels, reductions in the qualifying period for right to buy, the introduction of a home buy agent, and more recently the agreement to develop new shared ownership homes on some of our new build sites and to

manage the estates for owner occupiers on some of the land retained by the HRA on these sites, supports continued investment in this service at the higher level agreed for 2015/16.

## **HRA General Management**

This service area includes provision of the majority of our housing management activity, and has not been reviewed in any detail since the introduction of the Customer Service Centre in 2008.

The review made a range of proposals for change in this area, which include the potential to move to only having one area housing office, to reduce the activity associated with resident involvement, to cease or reduce some discretionary activity and to reduce operational budget across the service.

Some of these changes will impact the way in which residents can engage with the Council, and will require a period of consultation before any changes are agreed and implemented.

## **HRA Special Services**

Special HRA Services, are broadly discretionary in nature, but are provided on the basis that they are self-funding. Services such as caretaking, cleaning and catering are provided, but the costs are recovered through service charges, whilst support services are funded via the County Council through support contracts. Some special services are recharged to the General Fund, as they are of benefit to the wider community.

Although there is some uncertainty over the future of funding for some of these areas, it is not proposed to reduce investment until the point at which any reduction in funding is clear.

## **Housing Plus Opportunities**

In recent years, additional investment has been made in services which are targeted at those who find themselves in financial difficulty, need support with their financial affairs, or need support in sustaining their tenancy as a result of poor mental health.

These enhanced housing management services have not been fully operational for long enough to determine whether the benefits derived from providing them outweigh the input

being made, and the review therefore recommended that these services are reviewed in the coming year.

## HRA Summary Account

Although outside of the key areas of the initial review, any budgets held on the HRA Summary Account which are directly controlled by the Housing Service have also been considered as part of the final review, due to the pressure on the HRA to reduce expenditure.

It is proposed that the budget held for debt management advice be removed, as the current proposals, in light of the recent changes in national housing policy, mean the authority is unlikely to exercise its right to additionally borrow at the current time.

The table below summarises the savings proposed within each category of the review:

Review Area	2015/16 Budget	2016/17 Savings Proposals	Comment
Planned Repairs	1,022,700	400,000	
Responsive and Void Repairs	5,832,540	379,510	Rising to £479,510 by 2018/19
RTB, Shared Ownership and Leasehold Services	112,370	0	
General HRA Services	2,551,520	396,650	Rising to £418,210 by 2017/18
Special HRA Services	2,507,580	0	
Housing Plus	141,240	0	
Emerging Priorities	20,810	0	
General Fund Services (Incl. HRA share)	3,629,240	18,720	
<b>Total revenue services reviewed and savings proposed</b>	<b>15,818,000</b>	<b>1,194,880</b>	<b>£1,316,440 by 2018/19</b>

The revenue budgetary changes resulting from the detailed proposals of the Fundamental Review the Housing Service from April 2016, are detailed in Appendix E (2) of this document, the impact of any resulting in year changes are detailed in Appendix E (1), and both are incorporated into the HRA Summary Statement (2015/16 to 2019/20) at Appendix H.

# Section 6

## Capital - Existing Stock

### Stock Condition / Decent Homes

The authority holds validated stock condition data for its housing stock, which is updated on a continual basis.

The housing service reported achievement of the decent homes standard in the housing stock as at 31 March 2015 at 97.9%, compared with 97.9% achieving the desired standard at 31 March 2014. There were 144 properties that were considered to be non-decent (in addition to refusals), with another 419 anticipated to become non-decent during 2015/16.

### Stock Investment

As part of the Fundamental Review of the Housing Service, the 30-year investment programme, originally approved as part of the initial HRA Self-Financing Business Plan in February 2012, has been fully reviewed.

The review has taken into consideration work completed to date, the current stock condition data which we hold for all dwellings and the latest prices that the authority is contractually committed to for works delivered by its planned maintenance contractors.

One of the key findings of this review is that based upon current stock condition and contract prices for work, which incorporate higher inflation rates over the last 3 years than anticipated, the estimated cost of works required over the life of the business plan is approximately £40 million more than the level of resource allocated to investment in the existing housing stock over the next 30 years.

Appendix I provides detail of the revised 5-Year Housing Capital investment Plan, and incorporates the following items:

- Expenditure as approved in the HRA Budget Setting Report in February 2015.
- Re-phasing of expenditure anticipated to take place in 2014/15 into 2015/16 and beyond, as approved in June / July 2015.
- Items identified as actions from the Fundamental Review of the Housing Service, with resulting amendments to budgets and financial assumptions built into this HRA Mid-Year Financial Review.
- Capital financing has been updated in respect of revised assumptions in right to buy and other capital receipts, revenue funding of capital expenditure and borrowing requirements.

Following the Fundamental Review of the Housing Service, changes in housing capital investment are proposed as part of this HRA Mid-Year Financial Review and are detailed at Appendix F (1) which reconciles all of the proposed in capital budgets and Appendix F (2), which details the review savings proposed.

They include the following types of change:

- Extension of a number of asset lives to ensure that the Decent Homes and Other Capital Investment Programme can be delivered within existing budgetary constraints, despite the need to significantly increase unit costs due to higher than anticipated inflation in the building industry. This will result in lives of 25 years for kitchens, 40 for bathrooms, 12 for boilers and 40 for doors. Reductions will also be required in investment levels for fire safety works, wall structure, roof structure, sulphate works, communal area works, asbestos removal and some discretionary areas of investment in the housing stock. Budgets for major voids (£53,000 to £54,000 per annum) and Tenants Incentive Schemes (£21,000 per annum) will be removed in their entirety.
- Removal of the £200,000 per annum discretionary City Homes Estate Improvement Programme.
- Removal of the £20,000 per annum allocation for bringing long term vacants in the private sector back into use, to be effective from 2015/16.
- Reduction in the level of staff fees charged to the capital programme, delivered over 2 years from 2016/17 to 2017/18, recognising a reduced level of activity in respect of investment in the housing stock as a whole.

- Reduction of £10,000,000 over the life of the business plan in investment in roof covering replacements, moving to holding a roofing contingency, where replacements will be undertaken at failure, once repair options are no longer viable.

The current HRA Business Plan and resulting Housing Capital Investment Plan are constructed on the basis that a partial investment standard is retained in the housing stock, but recognise that following changes proposed in the Fundamental Review of the Housing Service that investment will now be at a significantly lower level than previously anticipated.

Future consideration will be given to the difference in costs over the longer-term of reducing investment further, and returning to the basic decent homes standard, to provide flexibility to respond to the increased financial pressure that the latest government announcements bring.

# Section 7

## Capital & Asset Management – New Build & Re-Development

### Asset Management

Consideration continues to be given to the strategic acquisition or disposal of assets, in line with the HRA Acquisition and Disposal Policy. In light of the proposals for change in national housing policy, in the short-term, the authority may want to consider the strategic sale of properties that might otherwise not have met the criteria for disposal. Receipts from individual asset disposals are only recognised in the HRA's reserves only at the point of receipt and after all relevant costs have been provided for.

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

Potential Acquisition/Disposal	Comment	Status
Engineers House	3-bedroom detached house in a non-estate location. Although approval has been given for market disposal, options for the future of this property are currently being explored with a community organisation	Awaiting either lease or sale
13 Shelly Row	2-bedroom house in need of significant investment, with approval to dispose on the open market following consideration against the Disposal Policy criteria	Awaiting sale
20 Beche Road	4-bedroom house in need of significant investment, with approval to dispose on the open market following consideration against the Disposal Policy criteria	Awaiting sale
2 Grafton Street	3-bedroom house in need of significant investment, with approval to dispose on the open market following consideration against the Disposal Policy criteria	Awaiting sale

# New Build & Re-Development

## General Approach

Potential new build schemes are identified, and incorporated into the 3-year affordable housing rolling programme to allow formal feasibility investigation and consultation with stakeholders. As each scheme is brought forward for formal committee approval, the indicative cost of the scheme is incorporated into the Housing Capital Investment Plan at the next approval opportunity. As the scheme design progresses and planning approval is sought, revised and more accurate scheme costs are available, culminating ultimately in a build contract value which forms the final budget for each scheme.

As part of the HRA Budget Setting Report or HRA Mid-Year Financial Review, the latest scheme appraisal costs available at the time are incorporated into the financial models, and therefore the Housing Capital Investment Plan. These costs will not always be the finally agreed contractual sums that the authority enters into in all cases, but ensures that the most up to date data is being utilised.

## 2011-15 New Build Programme

In 2011, the Council secured Homes and Communities Agency (HCA) grant funding towards the development of 146 affordable homes in the city, which formed part of the first 3-year affordable housing programme. Delays in the development process, coupled with changes in timing requirements by the HCA have meant that not all the sites originally included have progressed with HCA funding. Some sites have instead had the benefit of retained right to buy funding being directed into them, whilst others are now being built wholly with HRA resources.

In 2014/15, the schemes at Latimer Close and Stanesfield Road completed, providing 16 units of affordable housing. The remainder of the sites are expected to complete during 2015/16, with those at the end of the initial programme being Water Lane and Aylesborough Close.

The table below details the current position in respect of the 2011-15 sites, identifying the latest scheme costs for approval as part of this HRA MFR, comparing the costs to the approvals previously granted where applicable.

Scheme	Status	Approved Social Housing Units	HRA BSR Net Funding Approved (Capital Cost net of Grant and Land Transfer)	Percentage Social Housing on Site	HRA MFR Revised Net Funding for Approval (Capital Cost net of Grant, Land Transfer and RTB Receipt)
Jane's Court	Complete	20	878,610	59%	878,610
Latimer Close	Complete	12	1,357,060	60%	1,357,060
Barnwell Road	Complete	12	854,960	59%	854,960
Campkin Road	Unconditional	20	2,487,700	63%	2,487,700
Colville Road	Unconditional	19	1,156,850	58%	1,156,850
Stanesfield Road	Complete	4	399,650	50%	399,650
Atkins Close	Complete	8	446,650	67%	446,650
Wadloes Road	Unconditional	6	469,660	67%	450,340
Hawkins Road	Unconditional	9	1,045,720	100%	989,600
Fulbourn Road	Not in Contract	8	979,630	100%	979,630
Ekin Road	Unconditional	6	792,930	100%	764,220
Water Lane	Unconditional	14	1,644,960	58%	1,141,,460
Aylesborough Close	Unconditional	20	2,798,000	57%	2,798,000
<b>Total</b>		<b>158</b>	<b>15,312,380</b>	<b>63%</b>	<b>14,704,730</b>

The sums included for any site not yet at unconditional contract stage, are the latest working estimates, but will still be subject to change before finalisation.

## Acquisition of Market Housing on the 2011-15 New Build Sites

In order to meet the deadlines for the use of the earlier retained right to buy receipts, funding of £2,894,000 was approved in the Housing Capital Investment Plan for the purchase of some of the market dwellings on the 2011-15 New Build Programme development sites. The use of retained right to buy receipts is only applicable on sites which were previously vacant or

contained garages, or in the case of the redevelopment of existing social housing, where additional new properties are provided.

The table below identifies the market dwellings which the authority is making direct market purchase of, with the impact this will have on the proportion of social housing delivered on these sites:

Scheme	Status	No. of Market Units to be Purchased	Revised Percentage Social Housing on Site	Market Purchase Price (with on costs)
Colville Road	Complete	6	76%	1,051,350
Wadloes Road	In Progress	3	100%	736,500
Atkins Close (Garage Site)	Complete	4	100%	1,106,400
<b>Total Purchases</b>		<b>13</b>		<b>2,894,250</b>

## Clay Farm

Work is progressing with the development of the Clay Farm site, which will deliver 104 new social sector dwellings which the City Council will own and manage. The scheme will deliver a tenure mix comprising 78 social rented dwellings and 26 shared ownership dwellings.

Planning permission has been granted, and the authority anticipates entering into contract with Hill, the developer in September 2015. Work has started on site with the first social sector homes anticipated to be available for occupation in December 2016 and the site reaching completion in full by April 2017.

## Homerton

The Council is now in contract for the acquisition, on a long lease, of 39 units of social sector housing on the Homerton Development site. The scheme has planning in place, and work has now begun. The site as a whole is being built out by Colokate, which is a joint venture company which has been set up by Hill, the developer at Clay Farm and Homerton College. With work now underway, it is anticipated that completion and handover will be by December 2016.

## Garage Sites 2015/16

In March 2015, approval was given to proceed with the 2015/16 programme of garage and in-fill sites on HRA land, with initial funding of £3,030,000 incorporated into the financial plans for the scheme as a whole. The sites included in the 2015/16 programme, with the indicative number of new units anticipated to be delivered at the feasibility stage are:

Scheme	Potential New Build Units
Cadwin Fields and Nuns Way garages	2
Cameron Road Garages	7
Wiles Close Garages	3
Teddar Way in-fill	2
Kendal Way in-fill	2
Uphall Road garages	2
<b>Total</b>	<b>18</b>

Once approved in principle, consultation, further investigative and feasibility work is undertaken, with a view to obtaining planning permission and building out the sites as soon as is practically achievable.

## Anstey Way

Approval in principle was given at Housing Scrutiny Committee for the re-development of an existing housing site in Anstey Way. The business plan currently makes the assumption that all re-developments are funded by the HRA identifying savings and efficiencies in housing services, or by reducing investment in other areas of the housing stock to allow re-allocation of resource so that the re-development of specifically identified sites can take place.

It was anticipated that resource would be re-directed into the re-development of the Anstey Way site as part of the Fundamental Review of the Housing Service, but in light of the recent government announcements surrounding social housing rents and disposals, it is proposed that the re-development of the scheme is put on hold until the longer-term financial position is clear.

Funding has been incorporated into the business plan for the site assembly costs only, which include any home loss payments for exiting tenants and the costs of buying back leasehold properties on the site. This will allow the site to continue to be vacated, so that once the longer-term financial position for the HRA is clear, decisions about the future of the site can be made from a fully informed perspective. Alternative investment models will be explored, which allow the continued provision of affordable housing on the site.

The budget for the new build aspects of the project have therefore not been incorporated into the Housing Capital Investment Plan in respect of the Anstey Way re-development at this time.

Details of all changes to the new build investment programme are provided and reconciled in Appendix F (1).

# Housing Development Agency and City Deal

Following success in the City Deal process, on a Greater Cambridgeshire basis, in respect of transport and infrastructure projects, some City deal pump-prime funding was approved to help us and our City Deal partners to deliver additional affordable homes promised alongside the government investment in infrastructure.

It was recently agreed, that jointly with our City Deal partners South Cambridgeshire District Council and the County Council, a Housing Development Agency is created.

The new company will initially take the form of a shared service, bringing together the small Development Teams in both Cambridge City Council and South Cambridgeshire District Council.

The Housing Development Agency is being set up on the basis that once created using the pump-prime funding from the City Deal project; the company will be self-funded in the way of the development fees that will be charged for each scheme delivered.

However, it is not clear at this stage, how the recent housing policy changes for the Housing Revenue Accounts at both local authorities, will impact the financial viability of the newly proposed company.

# Section 8

## Summary and Conclusions

### HRA Budget Strategy

#### The Budget Process

The HRA budget process for 2016/17 will remain broadly similar to that for previous years in terms of timing and detailed administration, working within cash limited budgets, and considering savings in general management and repairs, to meet both known and mooted financial pressures. In light of the changes in housing policy nationally, consideration will need to be given to whether there is still the ability to 'over-deliver' in savings in order to create policy space to allow for strategic re-investment in housing services.

The Fundamental Review of the Housing Service was intended to address the longer-term balance of investment between meeting priorities for the delivery of new social housing, agreeing an appropriate level of investment in the existing housing stock and ensuring that the needs and pressures in the delivery of day to day housing services are met.

The findings from the Fundamental Review of the Housing Service, which now also incorporate the authority's immediate response to the national housing policy changes, will drive the strategic approach to the budget setting process for 2016/17.

The updated base model used to prepare this report incorporates the strategic financial proposals, with the indicated potential reductions in spending identified in specific service areas as part of the review contributing to the savings target for the coming financial year. Further detail in terms of whether the individual savings proposed will achieve this level of spending reduction, and the impact of reducing budgets by these values, will be presented as part of the 2016/17 budget bids and savings process.

For 2015/16 the HRA Mid-Year Financial Review incorporates a change in the anticipated interest earned in year from a revenue perspective, recognising that the opening balances at the start of the year were higher than anticipated, and a one-off sum of £270,000 to facilitate the changes proposed as part of the Fundamental Review of the Housing Service. Also incorporated are changes in the capital programme in respect of confirmation in external funding for the year and the budget now required for specific new build schemes, adjusted as they reach the next milestone in the development process.

## **Approach to HRA Savings**

The September 2014 HRA Mid-Year Financial Review retained a target of 2% for ongoing savings in general management expenditure for 2015/16 and an assumed reduction in repairs expenditure in line with estimated stock changes. This resulted in an overall target of £113,000 being set in preparation for the 2015/16 budget process, which included no reduction in repairs expenditure for 2015/16 as an increase in stock levels was anticipated due to new build completions. This target recognised the desire to continue to create policy space for strategic re-investment and continued to allow for the inclusion of priority policy funding at the previously enhanced level of £150,000 per annum.

For 2016/17, a far greater challenge is posed, with the savings target being driven by the need to also offset a loss of rental income in 2016/17 of an estimated £1,466,000 due to the requirement to reduce rents by 1% for four years, initially from April 2016. Previous financial planning will also have incorporated an assumed saving of 2% in controllable expenditure, equal to approximately £113,000.

At this stage, the assumption that the authority attempts to set-aside resource for the repayment of up to 25% of the housing debt by the point at which the loan portfolio begins to reach maturity, is retained. However, both this policy and the assumption that there will be additional HRA surpluses generated, that can be used to meet identified investment need in both the housing stock and in new build affordable housing, are challenged by the changes in national housing policy. As a result, the authority may have no alternative but reconsider its approach to set-aside in the future, although any decision in this regard should be taken in full knowledge of the financial risks which will accompany it.

One of the key challenges for 2015/16 and beyond, remains the need to identify sufficient resource for investment in new build housing to ensure that the authority can continue to retain

right to buy receipts and re-invest them appropriately. This challenge had already driven the need for a fundamental review of spending elsewhere across the Housing Service, but is now further exacerbated by the anticipated loss of rental income, resulting in the potential for retained right to buy receipts to need to be paid over to CLG, with interest, currently at 4.5%, calculated from the quarter in which they were originally received.

For the 2016/17 budget process an additional savings target of £1,466,000 has been set, in an attempt to offset the financial impact of the anticipated rent loss. As opposed to increasing this further by an additional £113,000 to also meet the 2% target that was previously incorporated, it is proposed instead to remove the policy space of £150,000 for 2016/17. This will negate the need to increase the £1,466,000 by a further £113,000, and will contribute £37,000 towards it. Removal of the policy space for 2016/17 will not in any way impact upon PPF expenditure approved in prior years, which now forms part of the base budget, but will mean that no new projects can be considered for April 2016. This will result in a net savings target for 2016/17 of £1,429,000. This level of savings will have a significant impact on our ability to deliver our existing housing services, with discretionary services far less likely to receive investment than in previous years.

This target is set assuming that the strategic reductions in spending identified in the Fundamental Review of the Housing Service can be delivered, and that any shortfall in detailed savings that can be identified through the budget process, will be made up by reductions in the level of investment in new build housing. It is however recognised that the latter is likely to impact the authority's ability to spend currently retained right to buy receipts appropriately.

The level of capital investment in the housing stock has been reviewed over the longer term as part of the Fundamental Review of the Housing Service, resulting in a similar monetary investment requirement to that previously assumed. However, due to the need to meet escalating building industry costs, this sum now provides for a lower level of investment in the housing stock overall. The review also identified the potential to further reduce investment in respect of roofing works, but any further savings in spending in respect of the existing stock, would be likely to mean a return to the basic decent homes approach.

The position will be reviewed again as part of the January 2016 HRA Budget Setting Report, with a view to maintaining service delivery in key statutory areas and protecting services for the

most vulnerable, whilst attempting to maintain a programme of new build housing if at all possible. It may however, be necessary to consider whether the local authority is now best placed to deliver a supply of new affordable housing, or whether reversion to a reliance on registered providers may be the only financially viable option.

## Base Assumptions

In order to update the Housing Revenue Account Business Plan, the assumptions included in the base plan have been revisited, and confirmed or amended as appropriate in the light of any more up-to-date intelligence and information.

Assumptions have been amended to take account of the latest announcements in respect of public sector pay, where a 1% cap on pay increase for the next four years is anticipated. An increase in the employer's rate of National Insurance has also been incorporated from April 2016, which more than offsets any saving realised from the cap on public sector pay.

In all cases, the revised assumptions included are derived from the best information available at the current time, utilising both historic trend data and the expert advice and opinion of specialists in the field of housing finance, lending and borrowing and asset management.

The base financial assumptions included in the financial model are included at Appendix C, with continuing uncertainties for the HRA summarised at Appendix L.

Appendix H summarises the revenue budget position for the HRA for the period between 2015/16 and 2019/20, based upon inclusion of the amended financial assumptions that form part of the update to the Self-Financing Business Plan.

Appendix K demonstrates the potential impact of the business plan of changes in some of the base assumptions that have been incorporated as part of this review, including the negative impact if rent increases are not returned to the level of CPI plus 1% from 2020/21 as being assumed.

# HRA MFR Conclusions

Updating the base assumptions for the HRA has had a significantly negative impact on the future financial assumptions for the housing business. The key changes which have contributed to this are the requirements to reduce rents by 1% per annum for four years from April 2016 and the compulsion to sell high value housing stock on the open market when it becomes void.

These two changes alone remove our ability to invest in any new build affordable housing after 2017/18 and stop us being able to set-aside resource to meet repayment of even the 25% of our borrowing as has been our previous policy.

Financial modelling indicates that with no new build housing investment after 2017/18, there will be the ability to set-aside revenue resource equivalent to approximately 12.3% of the debt between the outset of self-financing in 2012/13 and 2029/30 (year 15), after which the investment need in our existing housing stock forces us into a position where we are unable to set a balanced budget from 2030/31 (year 16) onwards. If right to buy sales continue as currently predicted, and investment in new build is halted, there will also be a capital debt repayment reserve accumulated equivalent to approximately 6.9% of the total debt outstanding. This will still be far short of the 25% set-aside which previous business plans have been constructed upon.

It is therefore imperative that we consider further reductions in our spending than are proposed from 2016/17, with the need to pursue similar levels of saving and efficiency from 2017/18 onwards.

The Fundamental Review of the Housing Service has highlighted some areas which will be looked at in more detail during 2016/17, with a view to reducing costs from 2017/18 onwards.

These include:

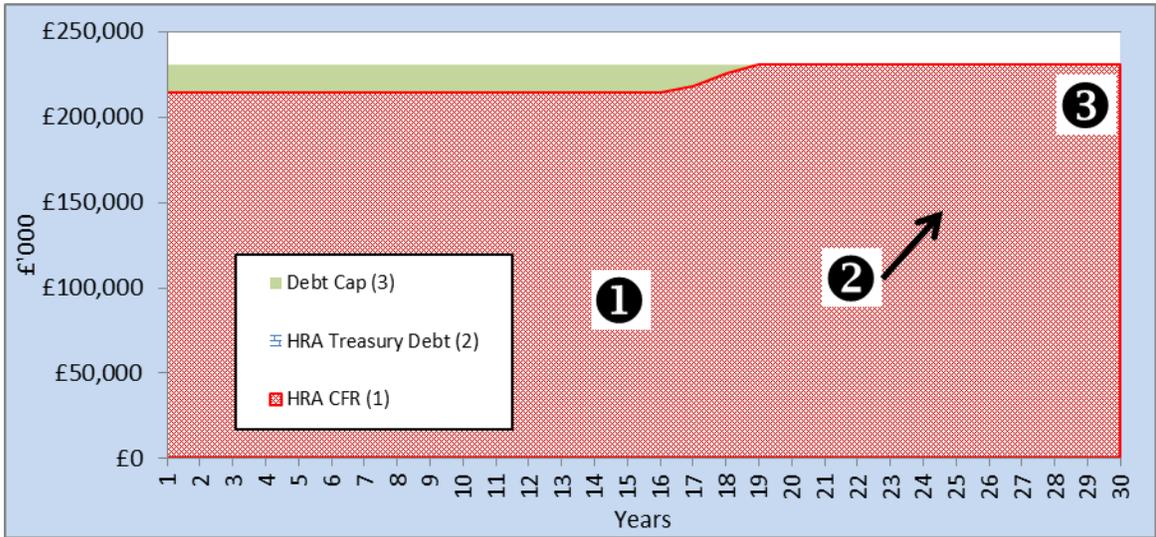
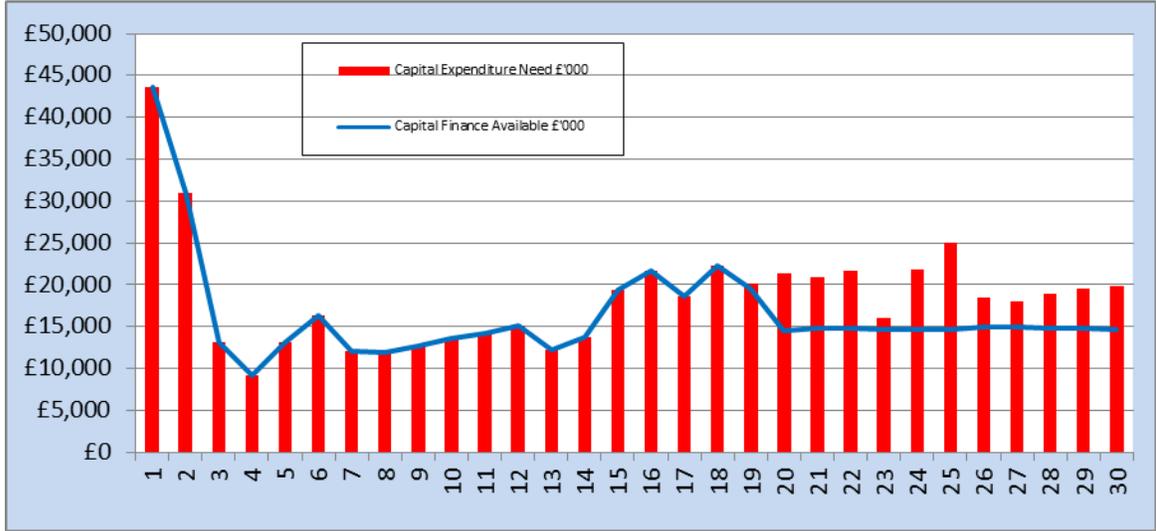
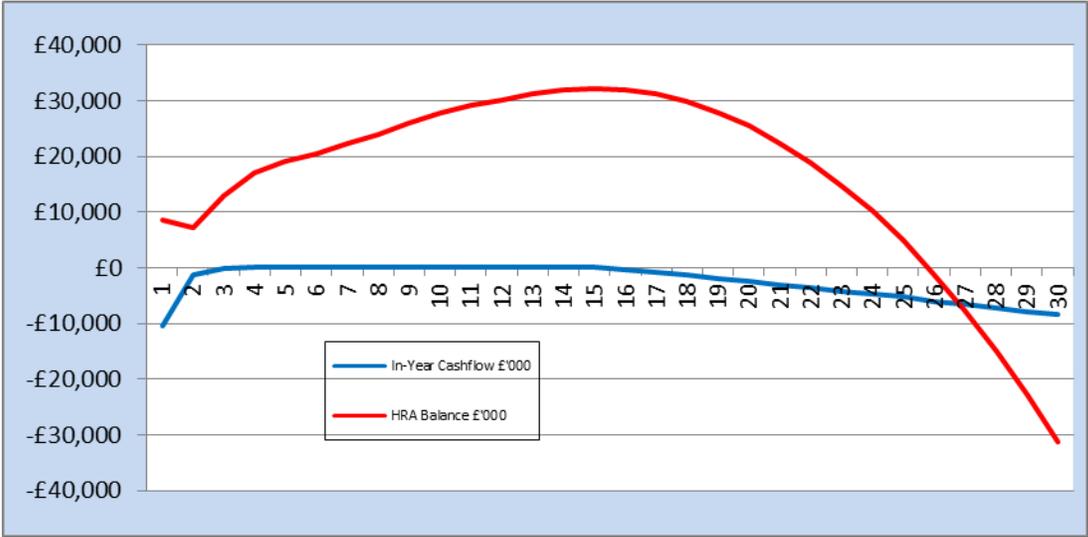
- Identifying further savings in areas that need more work, such as income generation, ASB, disabled adaptations, S20 notices reclaiming costs from leaseholders, and look again at further efficiencies in service areas.

- Exploring the extension of shared services to include; a broader shared housing service with South Cambridgeshire District Council and possibly other local authorities for strategic housing services, which would reduce management costs further and identify other possible efficiencies.
- Recognising the extent to which local authority management of social housing is being penalised. Having to sell stock through right to buy and compulsion to sell, without the ability to retain the receipt for the latter, coupled with the inability to borrow against our assets as payback of any borrowing will be problematic with a diminishing income stream, we should consider alternative options that will protect existing and future tenants.
- Recognising that any new build programme in the future will need to be developed considering alternative delivery models, for example mixed tenure, as reliance on HRA surpluses to fund a new build programme will no longer be possible.

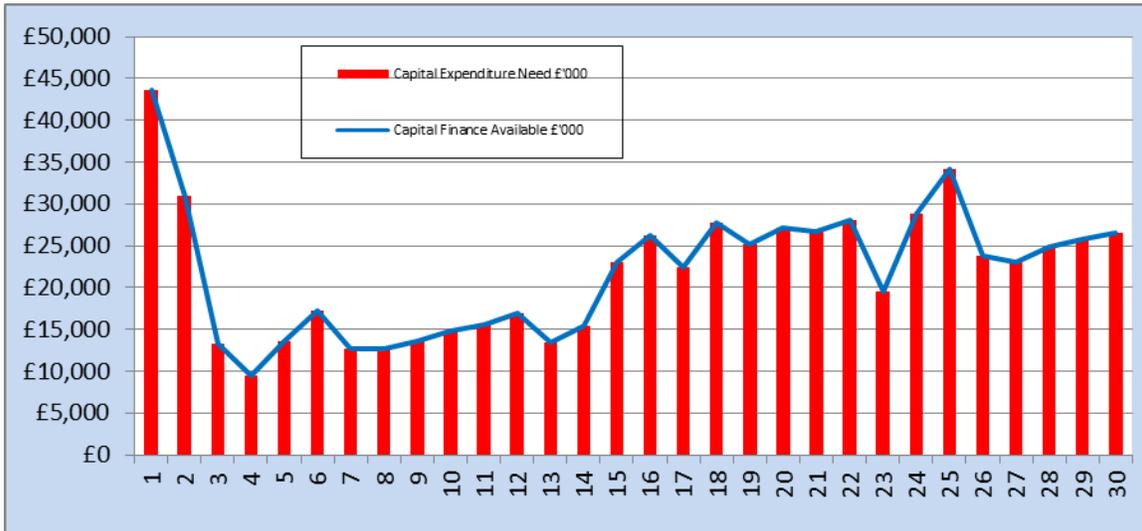
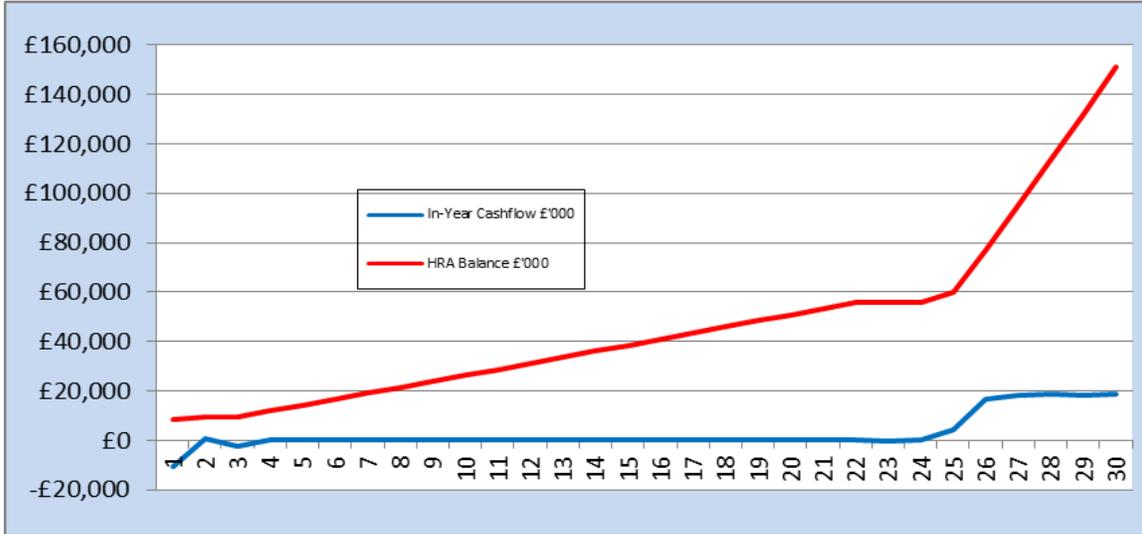
With the latest financial assumptions incorporated into financial plans, and taking account of the national changes in housing policy, there is no ability to deliver new build affordable housing after exhausting the use of the right to buy receipts retained up to the quarter ended 30<sup>th</sup> June 2015, unless the policy to set-aside any resource for the redemption of debt is amended, or significant additional reductions are found in expenditure elsewhere across the Housing Revenue Account.

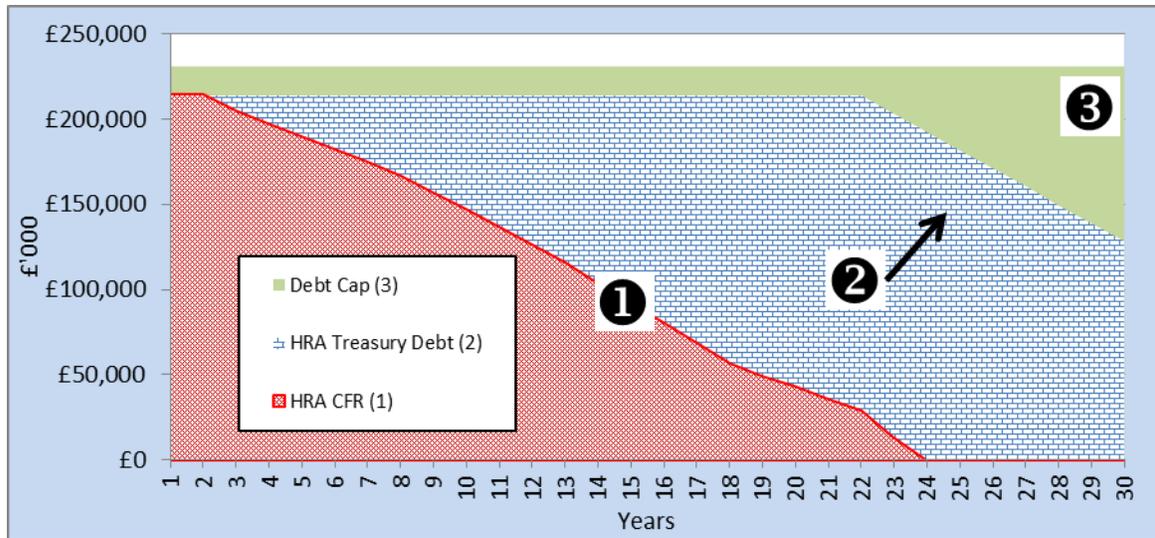
The first graph below shows the financial forecast for the HRA with the base assumptions and the savings from the fundamental review included, demonstrating the ability to set-aside some resource in the early years, but indicating that this resource would be required to be utilised to keep the HRA operational from year 16, when there is no longer the ability to set a balanced budget. Demonstrated in the second graph, is the inability to maintain the existing housing stock, albeit a significantly reduced stock by this point, from year 19 onwards, assuming investment need at current levels.

The third graph depicts the inability to repay debt, and the need to borrow up to the debt cap from year 16 simply to maintain the existing housing stock, forcing the HRA to re-finance the entire £213,572,000 of housing debt as each loan reaches maturity.



To illustrate the impact that the two key changes in national housing policy will have (1% rent reduction for four years and compulsion to sell high value void housing stock), the graphs below depict the position that would have been included in this document, were these changes not to have taken place.





The graphs above demonstrate the ability, prior to any changes in national housing policy, to set-aside 25% of the value of the housing debt to allow repayment of some of the loan portfolio should the authority so choose, to maintain the existing housing stock in line with the revised level of investment incorporated into this document, and to invest in new build housing or expanded housing services, as depicted by the block identified as "2" in the last of the graphs.

# Appendix A

## Financial Planning Timetable 2016/17

Date	Major Stage
2015	
18-May	SLT consider Budget Timetable for 2016/17 Process
28-May	Council adopts Annual Statement setting out plan & priorities from 2015/16
09-Jun	SLT / Exec consider Budget Timetable for 2016/17 Process
07-Jul	SMT presentation on Budget Process and Timetable for 2016/17
<b>24-Aug</b>	<b>SLT consider GF &amp; HRA draft MFRs</b>
<b>01-Sep</b>	<b>SLT / Exec consider GF &amp; HRA draft MFRs</b>
<b>14-Sep</b>	<b>Housing Revenue Account (HRA) MFR published</b>
w/c 14 Sep	Finance despatch Budget Process Guidance and Budget Proposal Forms
<b>24-Sep</b>	<b>Housing Committee considers the HRA MFR</b>
25-Sep	Finance produce Budget Working Papers and Salaries Estimates.
Sept / Oct	MFR & budget briefing for Members
Sept / Oct	Budget process, EqIA and Climate Change workshops for managers
09-Oct	Managers to complete and return Budget Proposal Forms to Finance for 2016/17 Revenue and Capital Budget Proposals
14-Oct	Finance to send proposals to officer groups for assessment including climate change and poverty ratings and EqIA requirements
19-Oct	SLT consider GF, HRA and Capital Budget Proposals
w/c 19 Oct	Officer Working Groups meet to consider and comment on budget proposals
<b>22-Oct</b>	<b>Council considers GF and HRA Mid-Year Financial Review reports</b>
23-Oct	Managers to send 2015/16 September variances to Finance, reporting to SLT on 2 November
27-Oct	SLT / Exec consider GF, HRA and Capital Budget Proposals

Date	Major Stage
28-Oct	General Fund & HRA individual EqIAs deadline
28-Oct	Officer Group (e.g. Climate change) feedback deadline
<b>03-Nov</b>	<b>Labour Group Budget Meeting (GF, HRA and Capital)</b>
<b>17-Nov</b>	<b>Labour Group Budget Meeting (General Fund Revenue)</b>
20-Nov	Managers to complete and return budget working papers, incorporating all budget proposals, to Finance
11-Dec	General Fund & HRA EqIA deadline
<b>16-Dec</b>	<b>HRA BSR to Committee Services</b>
<b>18-Dec</b>	<b>Publish HRA Budget Setting Report 2016/17.</b>
<b>18-Dec</b>	<b>Finalise (but not publish) GF BSR and Committee budget reports</b>
29-Dec	Final Opposition HRA EqIA deadline
2016	
05-Jan	Publish HRA Opposition Budget Amendment
<b>13-Jan</b>	<b>Housing Committee considers any HRA Budget Amendment Executive Councillor for Housing approves rent levels and revenue budgets Executive Councillor makes final capital proposal recommendations to Council</b>
22-Jan	Final Opposition GF EqIA deadline
15-Feb	Council papers to Committee
17-Feb	Council papers published
<b>25-Feb</b>	<b>Council approves GF Budget and sets Council Tax (including precepts) Council approves General Fund Capital Plan Council approves Housing Capital Plan as part of HRA BSR</b>
31-Mar	Approved budget reports to be sent to Cost Centre Managers by Finance

# Appendix B

## Key Risk Analysis

Risk Area & Issue arising	Controls / Mitigation Action
<b>Effects of Legislation / Regulation</b>	
<p>Implications of new legislation / regulation or changes to existing are not identified</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements</p> <p>HRA Debt Settlement could be re-opened by Government (or not re-opened when changes dictate that it should)</p> <p>Changes in national rent policy impact the ability to support the housing debt or deliver against planned investment programmes</p>	<ul style="list-style-type: none"> <li>• Effective, regular processes are in place for the HRA to ensure that implications are identified and raised</li> <li>• Additional / specific funding enhancements for new services can be identified through the budget process, to allow effective implementation</li> <li>• The Council has processes in place to manage the demands of local and national housing agendas, ensuring early engagement in any consultation and collective representation through national housing bodies</li> <li>• Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible.</li> <li>• Consideration could be given to deviating from national rent policy at a local level should statute continue to allow</li> </ul>
<b>Housing Portfolio &amp; Spending Plans</b>	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets</p>	<ul style="list-style-type: none"> <li>• Council has adopted medium (5 year) and long-term modelling (up to 30 years) for HRA, to ensure decisions are made in the knowledge of long-term deliverability issues / implications</li> <li>• The Business Plan includes long-term trend analysis on key cost drivers such as growth levels and demographics, and their implications</li> <li>• Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures</li> </ul>

Risk Area & Issue arising	Controls / Mitigation Action
<b>Financial planning lacks appropriate levels of prudence</b>	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital &amp; Revenue Projects Plan is not available</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> <li>• Use of external expert opinion and detailed trend data to inform assumptions</li> <li>• Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process</li> <li>• Adoption of strict medium / long-term planning</li> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> </ul>
<b>Use of resources is not effectively managed</b>	
<p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital, project on time etc.</p>	<ul style="list-style-type: none"> <li>• Council employs robust business planning processes for the HRA</li> <li>• Council has adopted a standard project management framework</li> <li>• A business cases is required for all strategic acquisitions, disposals and one-off areas of significant investment</li> <li>• Housing Service is required to contribute to Portfolio Planning process, linked directly to resources</li> <li>• Performance and contractor management procedures are robust and contracts are enforceable</li> <li>• Organisational development and workforce planning activity is ongoing and reflects the needs of the HRA</li> <li>• The Council's accounts are audited on an annual basis, with assurance given that the authority is delivering economy, efficiency and effectiveness in its use of resources</li> </ul>

Risk Area & Issue arising	Controls / Mitigation Action
<b>External income / funding streams</b>	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p>	<ul style="list-style-type: none"> <li>• Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes</li> <li>• Council seeks to influence national settlements and legislative changes through response to formal consultation and the provision of information to negotiation bodies such as LGA and CIH</li> </ul>
<p>Rent and service charge arrears increase and bad debt rises, as a direct result of the Welfare Benefit Reforms</p>	<ul style="list-style-type: none"> <li>• Increased resources identified for income management. Performance closely monitored to allow further positive action if required.</li> </ul>
<p>Rent income is under-achieved due to a major incident in the housing stock</p>	<ul style="list-style-type: none"> <li>• Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of widespread incidents</li> </ul>
<p>Changes to the right to buy rules and pooling regulations result in a continued high level of sales, with the associated commitment to deliver replacement units or pay over receipts with interest</p>	<ul style="list-style-type: none"> <li>• Sensitivities modelled so potential impacts are understood</li> <li>• Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity</li> </ul>
<p>Volatility and competition in the property market impacts the ability to fund capital pressures from the sale of assets</p>	<ul style="list-style-type: none"> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> </ul>

# Appendix C

## Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	2%	General inflation on expenditure included at 2% (Based upon government intention for CPI)	Retained
Capital Inflation	5% for 4 years, then 3% ongoing	Real increase above CPI of 3% for 4 years, then reverting to 1% above CPI from 2020/21.	Retained
Debt Repayment	Set-aside 25% to Repay Debt	Assumes surplus is re-invested in income generating assets, with 25% of resource set-aside to repay debt as loans reach maturity dates.	Retained
Capital Investment	Reduced Partial Investment Standard	<b>Base model assumes a reduced partial investment standard in the housing stock, compared with a basic decent homes standard. This will be reviewed again during 2016/17.</b>	Amended
Pay Inflation	1.9% Pay Progression plus: 2016/17 – 1.0% 2017/18 – 1.0% 2018/19 – 1.0% 2019/20 – 1.0% 2.5% ongoing	Assume allowance for increments at 1.9%. Pay inflation for four years from 2016/17 limited to 1% reflecting recent Government guidance, and a return to 2.5% thereafter, reflecting economic recovery. Increased National Insurance contribution rates have been incorporated from April 2016.	Amended
Employee Turnover	3%	Employee budgets assume a turnover saving of 3.0% of gross pay budget for office-based staff.	Retained
Rent Increase Inflation	-1% from 2016/17 for 4 years, then 3%	Rent decreases of 1% per annum in line with government guidelines from 2016/17 to 2019/20, then CPI plus 1%. Assume CPI in preceding September is as above.	Amended
Rent Convergence	Voids Only	Ability to move to target rent achieved only through movement of void properties directly to target rent.	Amended
External Lending Interest Rate	1.12%, 1.37%, then 1.62% ongoing	Interest rates based on latest market achievement, including the impact of CCLA investment.	Amended
Internal Lending Interest Rate	1.12%, 1.37%, then 1.62% ongoing	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment the General Fund over the longer term.	Amended
External Borrowing Interest Rate	4%	Assumes additional PWLB borrowing at a rate of 4%. Current rate for 30 years is 3.66%. Retain 4% for prudence.	Retained
Internal Borrowing Interest Rate	4%	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Retained
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, recognising risks in a Self-Financing environment.	Retained
HRA Target	£3,000,000	Maintain HRA target balance at £3,000,000.	Retained

Key Area	Assumption	Comment	Status
Balances			
Right to Buy Sales	50, 45, 40, 35, 30, then 25 sales ongoing	Housing Policy changes expected to sustain a higher level of activity. Assume 50 for 2015/16, reducing by 5 sales per annum, until 25 are assumed ongoing.	Amended
Right to Buy Receipts	Settlement right to buy and assumed one-for-one receipts included	Debt settlement receipts included, assuming the receipts utilised partly for general fund housing purposes. Anticipated one-for-one receipts included, but with only those received to date committed to specific new build schemes. Debt repayment proportion contributes to set-aside.	Retained
Void Rates	1%	Assumes 1% per annum from 2016/17 onwards.	Retained
Bad Debts	0.56% for 2015/16, then 1.12%	Bad debt provision increased by 100% to reflect the requirement to collect 100% of rent directly, assuming an extension of the existing payment profile across the entire housing stock when Universal Credit begins implementation in 2016.	Retained
Rent Collection Transactional Costs	Increase in transactional costs of £100,000 per annum from 2016/17	An increase of £100,000 per annum is included, now from 2016/17, anticipating an increase in transactional collection costs associated with the requirement to collect 100% of rent directly from tenants, as opposed to receiving approximately 50% via housing benefit. Universal Credit now anticipated to be implemented from February 2016.	Retained
Debt Management Expenses	£20,000 per annum	Internal treasury management is recharged within existing SLA's. This allows a provision for specialist financial advice in this field, now from 2016/17.	Amended
5-Year New Build Programme	Up to 320 Units	Assumes delivery of the balance of the 146 programme of 122 units plus 13 purchases, 104 units on the Clay Farm site, 39 on the Homerton site, 18 on new garage sites and the potential to build up to 24 dwellings on development sites before exhausting existing RTB receipts by 2017/18.	Amended
Savings Target	£1,466,000 for 2016/17, then return to 2%	2016/17 target included assuming the need to offset loss of rental income. Similar pressure to reduce spending will exist for the next 4 years.	Amended
Responsive Repairs Expenditure	Adjusted pro rata to stock changes	An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers.	Retained
Policy Space	£0 for 2016/17, £150,000 from 2017/18 for 4 years	Policy space removed for 2016/17, but returned to £150,000 for next 4 years recognising desire to retain strategic investment and respond to pressures. To be reviewed again as part of 2016/17 HRA BSR.	Amended
Service Reviews	On case by case basis	Service review outcomes assumed to deliver to the HRA as indicated in the review business case.	Retained

# Appendix D

## Retained 1-4-1 Right to Buy Receipts

Quarter date for Receipt	Retained 1-4-1 Receipt Value (Per Quarter)	Retained 1-4-1 Receipt Value (Cumulative)	Amount of New Build Expenditure Required (Cumulative)	Deadline for Receipt to be spent on New Dwelling	Qualifying Spend by Deadline (Cumulative)	Retained 1-4-1 Receipt Spent (Cumulative)	Balance of Retained 1-4-1 Receipts to be Spent or Paid to CLG (Cumulative)	Further New Build Spend Required by Deadline (Cumulative)
30/09/2012	305,694.44	305,694.44	1,018,981.47	30/09/2015	2,970,345.20	891,103.06	0.00	0.00
31/12/2012	1,052,927.43	1,358,621.87	4,528,739.57	31/12/2015	2,970,345.20	891,103.06	467,518.81	1,558,394.37
31/03/2013	721,056.95	2,079,678.82	6,932,262.73	31/03/2016	2,970,345.20	891,103.06	1,188,575.76	3,961,917.53
30/06/2013	558,506.21	2,638,185.03	8,793,950.10	30/06/2016	2,970,345.20	891,103.06	1,747,081.97	5,823,604.90
30/09/2013	649,210.49	3,287,395.52	10,957,985.07	30/09/2016	2,970,345.20	891,103.06	2,396,292.46	7,987,639.87
31/12/2013	939,637.07	4,227,032.59	14,090,108.63	31/12/2016	2,970,345.20	891,103.06	3,335,929.53	11,119,763.43
31/03/2014	1,556,452.02	5,783,484.61	19,278,282.03	31/03/2017	2,970,345.20	891,103.06	4,892,381.55	16,307,936.83
30/06/2014	1,053,196.82	6,836,681.43	22,788,938.10	30/06/2017	2,970,345.20	891,103.06	5,945,578.37	19,818,592.90
30/09/2014	517,057.26	7,353,738.69	24,512,462.30	30/09/2017	2,970,345.20	891,103.06	6,462,635.63	21,542,117.10
31/12/2014	1,004,106.23	8,357,844.92	27,859,483.07	31/12/2017	2,970,345.20	891,103.06	7,466,741.86	24,889,137.87
31/03/2015	831,750.78	9,189,595.70	30,631,985.67	31/03/2018	2,970,345.20	891,103.06	8,298,492.64	27,661,640.47
30/06/2015	595,447.59	9,785,043.29	32,616,810.97	30/06/2018	2,970,345.20	891,103.06	8,893,940.23	29,646,465.77

# Appendix E(1)

## 2015/16 HRA Mid-Year Revenue Budget Adjustments

Area of Income / Expenditure	Description	Budget Amendment in 2015/16 Budget (£)	Budget Amendment in 2016/17 Budget (£)	Comment
<b>General HRA Services</b>				
Service Transformation	There are potential up-front costs that will be incurred in the delivery the proposals for change identified as part of the Fundamental Review of the HRA	270,000	0	One-Off
<b>Total General HRA Services</b>		<b>270,000</b>		
<b>Repairs and Maintenance</b>				
Technical Services	The need to re-procure contractors for aspects of the planned maintenance contract will require external input into aspects of the project	0	25,000	One-Off
<b>Total Repairs and Maintenance</b>		<b>0</b>	<b>25,000</b>	
<b>HRA Summary Account</b>				
Interest on HRA Balances	An increase in the rate of interest anticipated to be earned on investments in 2015/16, coupled with an increase in the level of resources currently held, result in a higher level of expected interest receipts.	(78,210)	Incorporated into base assumptions	One-Off and built into assumptions in future years
<b>Total HRA Summary Account</b>		<b>(78,210)</b>	<b>0</b>	
<b>Total 2015/16 Mid-Year Revenue Budget Amendments</b>		<b>191,790</b>	<b>25,000</b>	

# Appendix E(2)

## 2016/17 HRA Fundamental Review Revenue Savings Proposals

Area of Income / Expenditure	Description	Saving Proposal or Increased Income in 2016/17 Budget (£)	Comment
<b>Planned Maintenance</b>			
Planned Maintenance	Reduction in planned maintenance (PTR) programme	(400,000)	Ongoing
<b>Total Planned Maintenance Savings</b>		<b>(400,000)</b>	
<b>Response Repairs, Voids and Cyclical Maintenance</b>			
Responsive and Void Repairs	Reduction in the use of sub-contractors for responsive repair and void works	(200,000)	Ongoing
Responsive and Void Repairs	Increase income generation through in-house responsive and void repairs team, or reduction in costs if this can't be achieved	(100,000)	Increasing by 50,000 in 2017/18 and 2018/19
Responsive Repairs	Removal of response repairs pre-inspection activity	(79,510)	Ongoing
<b>Total Response Repairs, Voids and Cyclical Maintenance Savings</b>		<b>(379,510)</b>	
<b>General HRA Services</b>			
Resident Involvement	Reduction in staffing and other expenditure in this area	(53,780)	Ongoing
City Homes and Area Office Costs	Reduction to only one area office, with resulting reduction in both premises and staffing requirements, coupled with the need to sub-let the south area office in the medium term	(200,490)	Ongoing
Under-Occupation Scheme	Reduction in funding for the Under Occupation Incentive Scheme, with residual budget held to be returned to that originally approved	(40,000)	Ongoing
City Homes	Cessation of quarterly rent statements, recognising that routine arrears activity will continue for those in rent arrears	(12,360)	Ongoing
Strategic Housing	Transfer of one Housing Head of Service to the new Housing Development Agency	(21,560)	Increases to 43,120 from 2017/18

Area of Income / Expenditure	Description	Saving Proposal or Increased Income in 2016/17 Budget (£)	Comment
IT Costs	Reduction of budget for Orchard Housing Management System, recognising that not all modules previously held are still required	(15,000)	Ongoing
HRA Overheads	Cessation of annual Housemark subscription, with the intention to benchmark ourselves with other comparable authorities	(8,000)	Ongoing
HRA General	Removal of additions to pay budgets in all office based areas	(11,730)	Ongoing
HRA General	50% cut in professional training budgets across the HRA as a whole	(6,600)	Ongoing
<b>Total General HRA Services Savings</b>		<b>(375,470)</b>	
<b>General Fund Services Recharged to the HRA</b>			
Housing Options	Reduction in staffing in the Housing Options Team	(18,720)	Ongoing
<b>Total General Fund Services Recharged to the HRA Savings</b>		<b>(18,720)</b>	
<b>HRA Summary Account Savings</b>			
Debt Management Costs	Recognising that there will be no need to obtain external borrowing advice in the current financial climate, the provision for additional debt management costs will be removed	(21,180)	Ongoing
<b>Total HRA Summary Account Savings</b>		<b>(21,180)</b>	
<b>Total Revenue Savings Proposals for 2016/17</b>		<b>(1,194,880)</b>	

# Appendix F (1)

## 2015/16 Mid-Year HRA Capital Budget Amendments

Area of Expenditure And Change	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
<b>Total Housing Capital Plan Expenditure pre HRA MFR</b>	<b>41,194</b>	<b>37,533</b>	<b>31,880</b>	<b>23,686</b>
<b>General Fund Housing</b>				
Removal of budget for Long Term Vacants	(20)	(20)	(20)	(20)
<b>Decent Homes and Other HRA Stock Investment</b>				
Allocate communal areas uplift budget to specific areas of investment	(427)	0	0	0
Transfer communal areas to health and safety works	100	0	0	0
Transfer communal areas to hard surfacing (health & safety) works	100	0	0	0
Transfer communal areas to communal area floor covering works	100	0	0	0
Transfer communal areas to lifts and door entry	127	0	0	0
Re-allocate residual decent homes backlog funding to specific elements	(2,097)	0	0	0
Transfer decent homes backlog to door replacement	327	0	0	0
Transfer decent homes backlog to roof covering	300	0	0	0
Transfer decent homes backlog to kitchens	300	0	0	0
Transfer decent homes backlog to bathrooms	150	0	0	0
Transfer decent homes backlog to boilers / heating	980	0	0	0
Transfer decent homes backlog to electrical/wiring	40	0	0	0
Transfer funding from roof structure to roof covering	(387)	0	0	0
Transfer funding to roof covering from roof structure	387	0	0	0
Re-profiling of 30 year investment plan to deliver within budget	0	(3,596)	(3,003)	(3,004)
<b>New Build</b>				
2011-15 Programme savings at unconditional contract stage	(626)	0	0	0
Increase in spend equivalent to land values for 2011-15 Programme	672	0	0	0
Re-phasing of spend for Clay Farm	512	3,414	(3,926)	0
Re-phasing of spend for Homerton	1,401	(1,402)	0	0
Transfer from New Build + RTB Receipts unallocated spend to approved Garage Sites for 2015/16	(750)	(2,250)	0	0
Transfer to 2015/16 Garage Sites following scheme approval	750	2,250	0	0

<b>Area of Expenditure And Change</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>
Inclusion of land assembly costs only for Anstey Way	427	853	0	0
Removal of new build programme post existing retained right to buy commitments	0	(5,449)	(10,981)	(9,994)
<b>Inflation Allowance</b>				
Reduction in inflation allowed as spend reduces	0	(185)	(669)	(1,256)
<b>City Homes Estate Improvement Programme</b>				
Removal of budget for estate improvement works	0	(200)	(200)	(200)
<b>Total Housing Capital Plan Expenditure post HRA MFR</b>	<b>43,560</b>	<b>30,948</b>	<b>13,081</b>	<b>9,212</b>

# Appendix F (2)

## 2016/17 HRA Fundamental Review Capital Savings Proposals

Area of Income / Expenditure	Description	(Saving Proposal or Increased Income) in 2016/17 Budget (£)	Comment
<b>Decent Homes and Other Investment in HRA Stock</b>			
Capitalised Staff Fees	Reduction in the staffing input into the HRA capital investment programme, recognising a reduced level of activity in the future	(17,900)	Increasing to 35,800 from 2017/18
Roof Covering	Reduction of 10 million in roof covering works over the life of the business plan, but not realisable in the early years	0	Life of the business plan
<b>Total Decent Homes and Other Investment in HRA Stock Savings</b>		<b>(17,900)</b>	
<b>City Homes Estate Improvement Programme</b>			
Estate Investment	Removal of the discretionary budget for demand led investment in the wider housing estate	(200,000)	Ongoing
<b>Total City Homes Estate Improvement Programme Savings</b>		<b>(200,000)</b>	
<b>General Fund Housing</b>			
Long Term Vacants	Removal of allocation for bring long-term vacant homes in the private sector back into use	(20,000)	Ongoing
<b>Total General Fund Housing Savings</b>		<b>(20,000)</b>	
<b>Total Capital Savings Proposals for 2016/17</b>		<b>(237,900)</b>	

# Appendix G

## New Build Investment Cashflow

New Build / Re-Development Scheme	Prior Year Actuals	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
<b>New Build / Re-Development Cash Expenditure (Net of Developer's Cross Subsidy / Notional Land Value)</b>							
Jane's Court	1,244,619	0	0	0	0	0	1,244,619
Latimer Close	1,598,289	0	0	0	0	0	1,598,289
Barnwell Road	682,040	385,000	0	0	0	0	1,067,040
Campkin Road (Phase 1)	1,832,571	884,330	0	0	0	0	2,716,901
Colville Road (Phase 1)	572,138	922,000	0	0	0	0	1,494,138
Water Lane	413,140	728,320	0	0	0	0	1,141,460
Aylesborough Close	1,161,408	1,635,650	0	0	0	0	2,797,058
Stanesfield Road	574,133	0	0	0	0	0	574,133
Wadloes Road	21,006	749,000	0	0	0	0	770,006
Atkins Close (Garage Site)	355,145	233,000	0	0	0	0	588,145
Hawkins Road (Garage Site)	5,253	1,408,470	0	0	0	0	1,413,723
Fulbourn Road (Garage Site)	4,899	1,394,000	0	0	0	0	1,398,899
Ekin Road (Garage Site)	4,116	1,087,630	0	0	0	0	1,091,746
Market Housing on Re-Development Sites	1,939,500	955,000	0	0	0	0	2,894,500
Market Acquisitions		252,500	0	0	0	0	252,500
Anstey Way Prototype	68,860	0	0	0	0	0	68,860
Clay Farm	13,966	2,315,290	11,495,470	2,380,050	0	0	16,204,776
Homerton	0	4,905,290	2,102,270	0	0	0	7,007,560

New Build / Re-Development Scheme	Prior Year Actuals	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
Garage Sites (2015/16)	0	750,010	2,250,020	0	0	0	3,000,030
Anstey Way (Land Assembly Only)	0	426,670	853,330	0	0	0	1,280,000
New Build – + RTB Receipts	0	3,528,490	543,780	0	0	0	4,072,270
New Build – HRA Surpluses	0	0	0	0	0	0	0
<b>New Build / Re-Development Expenditure equivalent to Notional Land Value</b>							
Spend Equivalent to Land Value	7,392,839	3,193,656	0	0	0	0	10,586,495
<b>Total New Build/ Re-Development Expenditure</b>	<b>17,883,922</b>	<b>25,754,306</b>	<b>17,244,870</b>	<b>2,380,050</b>	<b>0</b>	<b>0</b>	<b>63,263,148</b>
<b>New Build / Re-Development Grant and Area Committee Funding</b>							
Jane's Court	(354,460)	0	0	0	0	0	(354,460)
Latimer Close	(212,676)	0	0	0	0	0	(212,676)
Barnwell Road	(106,340)	(35,450)	0	0	0	0	(141,790)
Campkin Road (Phase 1)	(265,845)	(88,610)	0	0	0	0	(354,455)
Colville Road (Phase 1)	(168,369)	(168,370)	0	0	0	0	(336,739)
Stanesfield Road (Incl. 100k Area Committee Grant)	(170,892)	0	0	0	0	0	(170,892)
Atkins Close (Garage Site)	(106,338)	0	0	0	0	0	(106,338)
<b>Total New Build / Re-Development Funding</b>	<b>(1,384,920)</b>	<b>(292,430)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,677,350)</b>
<b>Retained Right to Buy Funding</b>							
Wadloes Road	(54,160)	(265,630)	0	0	0	0	(319,790)
Atkins Close (Garage Site)	0	0	0	0	0	0	0
Hawkins Road (Garage Site)	(1,580)	(422,540)	0	0	0	0	(424,120)
Fulbourn Road (Garage Site)	(1,470)	(418,200)	0	0	0	0	(419,670)
Ekin Road (Garage Site)	(1,230)	(326,290)	0	0	0	0	(327,520)

New Build / Re-Development Scheme	Prior Year Actuals	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
Market Housing on Re-Development Sites	(581,850)	(286,500)	0	0	0	0	(868,350)
Market Acquisitions	(68,280)	(75,750)	0	0	0	0	(144,030)
Anstey Way Prototype	(20,660)	0	0	0	0	0	(20,660)
Clay Farm	(3,140)	(511,410)	(2,539,180)	(525,720)	0	0	(3,579,450)
Homerton	0	(1,091,830)	(467,930)	0	0	0	(1,559,760)
Garage Sites (2015/16)		(225,000)	(675,010)	0	0	0	(900,010)
New Build – With RTB Receipts	0	(1,058,550)	(163,130)	0	0	0	(1,221,680)
<b>Total Retained Right to Buy Funding</b>	<b>(732,370)</b>	<b>(4,681,700)</b>	<b>(3,845,250)</b>	<b>(525,720)</b>	<b>0</b>	<b>0</b>	<b>(9,785,040)</b>
Total to be funded from HRA Resources (DRF) and Non-RTB Capital Receipts	(15,766,632)	(20,353,506)	(12,546,290)	(1,854,330)	0	0	(50,520,758)
Total HRA Borrowing	0	0	0	0	0	0	0
Total to be funded from HRA Savings	0	(426,670)	(853,330)	0	0	0	(1,280,000)

# Appendix H

## HRA Summary Forecast 2015/16 to 2019/20

Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<b>Income</b>					
Rental Income (Dwellings)	(37,185,810)	(36,896,070)	(36,542,310)	(35,504,380)	(34,516,700)
Rental Income (Other)	(1,096,480)	(1,118,410)	(1,140,780)	(1,163,590)	(1,186,870)
Service Charges	(2,447,980)	(2,537,240)	(2,606,410)	(2,654,180)	(2,702,920)
Contribution towards Expenditure	(3,210)	(3,280)	(3,340)	(3,410)	(3,480)
Other Income	(455,090)	(443,400)	(431,070)	(418,060)	(426,420)
<b>Total Income</b>	<b>(41,188,570)</b>	<b>(40,998,400)</b>	<b>(40,723,910)</b>	<b>(39,743,620)</b>	<b>(38,836,390)</b>
<b>Expenditure</b>					
Supervision & Management - General	3,444,840	3,924,480	4,149,920	4,349,480	4,616,130
Supervision & Management - Special	2,507,580	2,562,510	2,621,840	2,682,580	2,744,770
Repairs & Maintenance	6,855,150	6,968,500	7,150,500	7,366,320	7,592,410
Depreciation – to Major Repairs Res.	10,477,820	10,646,440	11,862,560	12,211,070	12,577,550
Debt Management Expenditure	21,180	0	0	0	0
Other Expenditure	3,230,250	2,002,630	2,068,790	2,129,470	2,192,950
<b>Total Expenditure</b>	<b>26,536,820</b>	<b>26,104,560</b>	<b>27,853,610</b>	<b>28,738,920</b>	<b>29,723,810</b>
<b>Net Cost of HRA Services</b>	<b>(14,651,750)</b>	<b>(14,893,840)</b>	<b>(12,870,300)</b>	<b>(11,004,700)</b>	<b>(9,112,580)</b>
<b>HRA Share of operating income and expenditure included in Whole Authority I&amp;E Account</b>					
Interest Receivable	(307,120)	(272,720)	(390,340)	(494,810)	(517,510)
<b>(Surplus) / Deficit on the HRA for the Year</b>	<b>(14,958,870)</b>	<b>(15,166,560)</b>	<b>(13,260,640)</b>	<b>(11,499,510)</b>	<b>(9,630,090)</b>
<b>Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance</b>					
Loan Interest	7,541,290	7,541,670	7,542,050	7,542,050	7,542,050
Housing Set Aside	0	0	5,787,660	3,969,620	2,083,600
Depreciation Adjustment	(2,319,180)	(2,196,940)	0	0	0
Direct Revenue Financing of Capital	20,191,440	11,238,900	0	0	0
<b>(Surplus) / Deficit for Year</b>	<b>10,454,680</b>	<b>1,417,070</b>	<b>69,070</b>	<b>12,160</b>	<b>(4,440)</b>
Balance b/f	(14,864,833)	(4,410,153)	(2,993,083)	(2,924,013)	(2,911,853)
<b>Total Balance c/f</b>	<b>(4,410,153)</b>	<b>(2,993,083)</b>	<b>(2,924,013)</b>	<b>(2,911,853)</b>	<b>(2,916,293)</b>

# Appendix I

## Housing Capital Investment Plan (5 Year Detailed Investment Plan)

Description	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
<b>General Fund Housing Capital Spend</b>					
Disabled Facilities Grants	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195
Long Term Vacants	0	0	0	0	0
Choice Based Lettings IT System	30	0	0	0	0
<b>Total General Fund Housing Capital Spend</b>	<b>775</b>	<b>745</b>	<b>745</b>	<b>745</b>	<b>745</b>
<b>HRA Capital Spend</b>					
<b>Decent Homes</b>					
Kitchens	898	236	206	190	655
Bathrooms	725	291	225	255	201
Central Heating / Boilers	2,086	1,105	1,660	544	2,586
Insulation / Energy Efficiency	100	100	100	100	100
External Doors	435	128	109	54	52
PVCU Windows	0	0	0	0	0
Wall Structure	220	119	142	140	134
Wall Finishes	349	227	202	174	383
Wall Insulation	100	100	100	100	100
External Painting	0	0	0	0	0
Roof Structure	800	322	300	300	300
Roof Covering	1,036	342	334	334	334
Chimneys	2	13	1	0	1
Electrical / Wiring	243	497	561	293	555
Smoke Detectors	109	116	116	116	116
Sulphate Attacks	102	102	102	102	102
Major Voids / Major Works	108	0	0	0	0
HHSRS Contingency	150	100	100	100	100

Description	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Other Health and Safety Works	150	50	50	50	50
Other External Works	5	0	0	0	0
Capitalised Officer Fees - Decent Homes	341	323	305	305	305
External Professional Fees	17	17	17	17	17
Decent Homes Backlog	0	0	0	0	0
Decent Homes Planned Maintenance Contractor Overheads	680	423	474	314	635
Decent Homes New Build Allocation	69	203	210	215	219
<b>Total Decent Homes</b>	<b>8,725</b>	<b>4,814</b>	<b>5,314</b>	<b>3,703</b>	<b>6,945</b>
<b>Other Spend on HRA Stock</b>					
Garage Improvements	788	788	100	100	100
Asbestos Removal	200	100	50	50	50
Disabled Adaptations	878	878	878	878	878
Tenants Incentive Scheme	21	0	0	0	0
Communal Areas Uplift	119	396	346	346	346
Fire Prevention / Fire Safety Works	430	100	100	100	100
Hard surfacing on HRA Land - Health and Safety Works	380	250	250	250	250
Hard surfacing on HRA Land - Recycling	0	142	0	0	0
Communal Areas Floor Coverings	100	100	100	100	100
Lifts and Door Entry Systems	176	13	13	13	13
Fencing	327	200	200	200	200
Reduction in Discretionary Investment	0	-100	-100	-100	-100
Capitalised Officer Fees - Other HRA Stock Spend	114	114	114	114	114
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	330	315	213	213	213
<b>Total Other Spend on HRA stock</b>	<b>3,863</b>	<b>3,296</b>	<b>2,264</b>	<b>2,264</b>	<b>2,264</b>
<b>HRA New Build / Re-Development</b>					
Roman Court	14	0	0	0	0
3 Year Affordable Housing Programme	9,427	0	0	0	0
3 Year Affordable Housing Programme (Notional Spend - Land Value)	3,194	0	0	0	0
Market Housing on HRA Sites	955	0	0	0	0

Description	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
New Build - Clay Farm	2,315	11,496	2,380	0	0
New Build - Homerton	4,905	2,102	0	0	0
Re-Development - Anstey Way (Land Assembly Only)	427	853	0	0	0
2015/16 Garage Sites	750	2,250			
New Build or Acquisition - Unallocated Retained RTB Receipt Investment	3,781	544	0	0	0
New Build - Investment of HRA Surpluses	0	0	0	0	0
<b>Total HRA New Build</b>	<b>25,768</b>	<b>17,245</b>	<b>2,380</b>	<b>0</b>	<b>0</b>
<b>City Homes Estate Improvement Programme</b>					
City Homes Estate Improvement Programme	250	0	0	0	0
<b>Total City Homes Estate Improvement Programme</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sheltered Housing Capital Investment</b>					
Ditchburn Place	1,900	2,408	0	0	0
<b>Total Sheltered Housing Capital Investment</b>	<b>1,900</b>	<b>2,408</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other HRA Capital Spend</b>					
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	39	0	0	0	0
Cambridge Public Sector Network	29	0	0	0	0
Air Cooling Systems in Area Offices	11	0	0	0	0
Shared Ownership Repurchase	300	300	300	300	300
Right of First Refusal Buy Back	435	0	0	0	0
Commercial Property	190	30	30	30	30
<b>Total Other HRA Capital Spend</b>	<b>1,004</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>
<b>Total HRA Capital Spend</b>	<b>41,510</b>	<b>28,093</b>	<b>10,288</b>	<b>6,297</b>	<b>9,539</b>
<b>Total Housing Capital Spend at Base Year Prices</b>	<b>42,285</b>	<b>28,838</b>	<b>11,033</b>	<b>7,042</b>	<b>10,284</b>
Inflation Allowance and Stock Reduction Adjustment for Future Years	1,275	2,110	2,048	2,170	2,837
<b>Total Inflated Housing Capital Spend</b>	<b>43,560</b>	<b>30,948</b>	<b>13,081</b>	<b>9,212</b>	<b>13,121</b>

Description	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
<b>Housing Capital Resources</b>					
Right to Buy Receipts	(516)	(522)	(527)	(532)	(537)
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0
Notional Land Receipts (New Build Schemes)	(3,194)	0	0	0	0
Major Repairs Reserve	(9,504)	(9,324)	(9,741)	(8,109)	(12,013)
Direct Revenue Financing of Capital	(20,191)	(11,239)	0	0	0
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(592)	(1,672)	(2,016)	(300)	(300)
Retained Right to Buy Receipts	(4,682)	(3,845)	(526)	0	0
Disabled Facilities Grant	(303)	(271)	(271)	(271)	(271)
Prudential Borrowing	0	(19)	0	0	0
<b>Total Housing Capital Resources</b>	<b>(38,982)</b>	<b>(26,892)</b>	<b>(13,081)</b>	<b>(9,212)</b>	<b>(13,121)</b>
Net (Surplus) / Deficit of Resources	4,578	4,056	0	0	0
<b>Capital Balances b/f</b>	<b>(8,634)</b>	<b>(4,056)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Use of / (Contribution to) Balances in Year	4,578	4,056	0	0	0
<b>Capital Balances c/f</b>	<b>(4,056)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
The inflationary element of the decent homes spend for 2015/16 will be allocated against decent homes elements once the task orders under the new planned maintenance contract are known for the year.					
<b>Other Capital Balances (Opening Balance 1/4/2015)</b>					
Major Repairs Reserve	(2,220)	Fully utilised in 2015/16 above			
Retained 1-4-1 Right to Buy Receipts	(8,457)	Utilised between 2015/16 to 2017/18 above			
Right to Buy Receipts for Debt Redemption	(3,999)	Retained for future debt repayment			
<b>Total Other Capital Balances</b>	<b>(14,676)</b>				

# Appendix J

## HRA Earmarked & Specific Funds (£'000)

### Repairs & Renewals

Housing Revenue Account	Opening Balance	Contributions	Expenditure to July	Current Balance
General Management	(841.5)	(77.3)	0.2	(918.6)
Special Services	(795.3)	(151.6)	20.6	(923.3)
Repairs and Maintenance	(192.3)	(56.4)	0.0	(248.7)
<b>Totals</b>	<b>(1,829.1)</b>	<b>(285.3)</b>	<b>20.8</b>	<b>(2,090.6)</b>

### Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to July	Current Balance
MRR	(2,219.5)	0.0	0.0	(2,219.5)

### Shared Ownership

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

### Tenants Survey

	Opening Balance	Contributions	Expenditure to July	Current Balance
Tenants Survey	(26.9)	(6.2)	0.0	(33.1)

### Aerial – Roof Space Rental

	Opening Balance	Contributions	Expenditure to July	Current Balance
Aerial Income	(113.6)	(8.8)	0.5	(121.9)

### Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to July	Current Balance
Debt Set-Aside	(1,901.7)	0.0	0.0	(1,901.7)

# Appendix K

## Business Plan Key Sensitivity Analysis

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
General Inflation	General Inflation using CPI at 2% for expenditure	Volatility in the economy could lead to an increase in expenditure inflation, particularly whilst rents increases are non-existent for the next 4 years. Assume CPI for expenditure of 3% ongoing.	Ability to set-aside only 7.2% of the total debt from revenue resources. Inability to set a balanced revenue budget from 2025/26.
Rents Inflation	1% reduction for 4 years, then return to CPI plus 1% for remaining 4 years of 10 year rent settlement followed by CPI plus 0.5%	There is no guarantee that there will be the ability to return to previously assumed rent increase if rents are set legislatively, so assume a rent freeze from 2020/21	Ability to set-aside only 6.5% of the total debt from revenue resources. Inability to set a balanced revenue budget from 2021/22.
Direct Payments (Universal Credit)	Bad Debts at 1.12%	Evidence from the pilot authorities for Direct payment indicates that collection rates may fall from 99% to 95%. Assume bad debts at 5%	Ability to set-aside only 4.8% of the total debt from revenue resources. Inability to set a balanced revenue budget from 2025/26.

Note: Key sensitivities are modelled independently to demonstrate the financial impact. Combined they would have a cumulative effect.

# Appendix L

## Areas of Uncertainty

### Housing Revenue Account – Revenue Uncertainties

#### Self-Financing for the HRA

Significant uncertainties exist about the ability to manage the cashflow and service the debt for the HRA in a self-financing environment in light of recent national housing policy changes, with potential for the debt settlement to be re-opened. The debt cap, over which the HRA is not allowed to borrow, currently remains, but could be amended in the future, although additional borrowing at present represents additional risk.

#### Right to Buy Sales

The number of sales has increased significantly since April 2012, and interest remains high. It is anticipated that a combination of changes in the scheme to date, plus the potential for households with incomes of over 30k per annum to be required to pay market rents, will mean that interest remains high. The implications of continued high levels of sales from a revenue perspective are significant, with the potential loss of rental income being the major factor.

#### Right to Buy Retention Agreement

The resource currently retained in respect of 1-4-1 receipts will exceed the level that the authority is able to support in 70% match funding following the latest housing policy changes. At present, the investment required to fulfil the resource held at 30<sup>th</sup> June 2015 has been incorporated into the HRA financial model, but specific sites for all of the investment of the resource have not been identified and approved to proceed. Over and above the value of schemes with approval, additional new build or acquisition expenditure of £4,072,270 of is required. The potential interest that will be payable if the receipts are not utilised within the agreed 3-year period has not been incorporated into the HRA revenue projections. It is assumed that all future receipts will be paid over to central government, unless there is clarity over the availability of the 70% top up funding at the end of each quarter.

#### Independent Living Service – Ditchburn Place Extra Care

The current care and support contract extension with the County Council is due to expire in March 2016, following acceptance of a further extension. Although technically not an HRA function care is delivered alongside HRA services, and the inextricable links to the provision of landlord services mean that any changes to the delivery of care and support services will impact HRA services also.

#### Independent Living Service – Sheltered and Temporary Housing

A new broader contract is in place with the County Council for the delivery of support to older people across the city as a whole. There are uncertainties currently as to the level of demand that exists in the wider community compared with that in our sheltered housing schemes, although the services delivered there must be maintained within the cash envelope provided by the County Council

The contract extension for Temporary Housing support is due to end in March 2016, following a further year's extension at a lower of funding level than before. It is anticipated that the County Council will not continue to fund this service from April 2016. The uncertainty in this area causes additional uncertainty for both residents and staff.

## Housing Revenue Account – Revenue Uncertainties

### HRA Commercial Property

Stock condition surveys and investment profiles are still required in respect of the HRA's commercial property portfolio, to ensure that sufficient resource is identified in the Housing Capital Plan to maintain the properties in a lettable condition.

### HRA New Build

Although the current new build programme is now progressing quite well, some delays have been, and are being, experienced in respect of some of the earlier projects, which has the potential to impact negatively upon rental income. If any individual development scheme does not proceed, the initial outlay will need to be treated as revenue expenditure, but without the anticipated payback that the capital investment would have resulted in. Until schemes are approved, in contract, and have appropriate planning permission, there are still uncertainties over final costs and dwelling numbers, which could impact the HRA in terms of borrowing costs and anticipated rental streams.

### HRA Review of Area Offices

The decision about the future of the area housing offices will now be made following the recommendations of the Fundamental Review of the Housing Service. The current lease for the south area office does not expire until January 2020, so the option to consider sub-let of the premises in the short term may be required. The ability to deliver savings in this area will be limited by the ability to identify a suitable sub-tenant.

### National Rent Policy

Previous concerns about the inability to achieve target rent levels across the housing stock, have been over-shadowed by recent announcements about changes in national rent policy, which will see rents reduced by 1% per annum over the next four years. There is no guarantee that rent increases will be re-introduced at CPI plus 1% after this period, although our financial plans have currently been constructed on this basis.

### Compulsion to Sell High Value Properties

The proposal that local authorities will be required to sell high value properties when they become void has the potential not only to significantly impact the rental stream for the HRA, but also to increase administrative costs due to the potential need to value properties in a different way and administer the sale of them.

### Cyclical Revenue Maintenance

Arrangements for much of the provision of cyclical maintenance services, (ie; door entry, lifts, electrical testing, fire risk assessments, warden call systems) were intended to be incorporated as part of the new planned maintenance contract, but not all aspects of the contract were fully let. The cost base for the revenue elements of these large contracts needs to be separately identified and incorporated into future financial projections. The contract for gas inspections and servicing, previously procured jointly with South Cambridgeshire District Council, is due to be re-tendered imminently.

### Welfare Reforms

The negative impact that the introduction of Universal Credit may have on the level of rent arrears and bad debts within the HRA is currently unquantifiable, although indications from the earlier pilot authorities are that it will be significant. Further delays in implementation make this an area shrouded with continued uncertainty.

## Housing Revenue Account - Capital Uncertainties

### Ditchburn Place

Funding has been ear-marked for the re-development of the extra care housing at Ditchburn Place. The scheme has been considered using indicative costs, but until tendered, the finalised costs will not be available. The decision to phase the works also poses additional uncertainty in terms of both the costs and the length of the build. Uncertainty also exists with regard the future of care provision at Ditchburn Place, which could impact the specification of works to be completed.

### Inclusion of Communal Areas Investment in standard Decent Homes Provision

Removal of the specific provision held for communal areas and incorporation of the work into the existing decent homes budget, to include works to lifts and common parts in flatted accommodation, will provide some uncertainty until we have sufficient experience that the work required can be delivered within this limited cost envelope.

### Sulphate Attack

Sulphate attack was identified a number of years ago in a few council dwellings, resulting in the potential need to invest £1.87m to eradicate the problem. Following a risk assessment, the approach taken has been to address the defect when the property is void. Currently 12 of the 110 properties potentially affected have been rectified. Reduced funding of approximately £0.9m is included in the Housing Capital Programme over the next 9 years to continue to fund this risk-based approach. This will not meet the remedial costs of all sites where sulphate has been identified and there is the potential for similar sulphate attacks in the structures of other council dwellings constructed at a similar time, resulting in the need for additional investment.

### Disabled Facilities Grants and Private Sector Housing Grants and Loans

Council investment in both DFG's and Private Sector Housing Grants and Loans is now wholly dependent upon the generally available element of right to buy receipts in any year, with funding dependent upon 25% of the first 10 to 17 right to buy sale receipts per annum, as assumed to be available for general use in the self-financing settlement. This puts at significant risk the desired level of future investment in this area.

### Right to Buy Sales and Retained Right to Buy Receipts

Interest in right to buy remains high following changes to the scheme in April 2012. Under the terms of the agreement signed with CLG, the authority is committed to deliver completed replacement dwellings from right to buy receipts within 3 years of the date of the retained 1-4-1 receipt, with this funding meeting no more than 30% of the cost of the dwelling. There is now greater doubt over the level of top up funding that can be afforded by the authority, particularly in light of the recent changes in national housing policy. Receipts will now be paid over to central government at the end of each quarter, unless there is demonstrable available resource available to provide the top up funding required.

### Energy Efficiency

Legislative requirements / local desire to increase the energy efficiency of the housing stock could result in significant increased investment, with little or no financial return to the HRA.

## STRATEGY & RESOURCES COMMITTEE

12 October 2015

5.00 – 9.00pm

Present: Robertson (Chair), Sinnott, Baigent, Benstead, Bick, Holt, Sarris, C. Smart and M. Smart

<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES COUNCILLOR OWERS)</b></p>
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### **MID-YEAR FINANCIAL REVIEW (MFR) OCTOBER 2015**

The report presented and recommended the budget strategy for the 2016/17 budget cycle and specific implications, as outlined in the Midyear Financial Review (MFR) October 2015 document.

The report also recommended the approval of new capital items and changes to phasing and funding proposals of the Council's Capital Plan, the results of which are shown in the MFR.

At this stage in the 2016/17 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2015 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating budgets for 2016/17 to 2020/21. All references in the recommendations to Appendices, pages and sections relate to the MFR Version 2.

The recommended budget strategy is based on the outcome of the review undertaken together with financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MFR.

The Strategy and Resources Committee considered and approved the recommendations 6 votes to 0.

**Accordingly, Council is recommended to:**

#### **General Fund Revenue**

- i. Agree the budget strategy, process and timetable for the 2016/17 budget cycle as outlined in Section 1 (pages 1 to 2 refer) and Appendix A of the MFR document.

- ii. Agree incorporation of the budget savings and pressures identified in Section 4 (pages 11 to 13 refer). This provides an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in Section 5 (page 14 refers) of the MFR document.

## Capital

- i. To note the changes to the Capital Plan as set out in Section 6 (pages 15 to 19 refer) of the MFR document and agree the new proposals:

Ref	Description	2015/16 £000	2016/17 £000	Total £000
SC605	Replacement Building Access Control System	50	50	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	200
S607	Fleet Maintenance and Management Service at Waterbeach	34	11	45
	<b>Total Proposals</b>	<b>99</b>	<b>246</b>	<b>345</b>

## Reserves

- i. Agree changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £5.13m and the target level at £6.16mas detailed in Section 7 (pages 20 to 21 refer).



To: Executive Councillor for Finance and Resources

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources 12 October 2015

Wards affected: All Wards

## **Mid-year Financial Review (MFR) October 2015**

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### Key Decision

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

- 1.1 This report presents and recommends the budget strategy for the 2016/17 budget cycle and specific implications, as outlined in the Mid-year Financial Review (MFR) October 2015 document, which is attached and to be agreed.
- 1.2 This report also recommends the approval of new capital items and changes to phasing and funding proposals of the Council's Capital Plan, the results of which are shown in the MFR.
- 1.3 At this stage in the 2016/17 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2015 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating budgets for 2016/17 to 2020/21. All references in the recommendations to Appendices, pages and sections relate to the MFR Version 2.
- 1.4 The recommended budget strategy is based on the outcome of the review undertaken together with financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MFR.

## 2. Recommendations

The Executive Councillor is asked to recommend to Council:

### General Fund Revenue

- 2.1 To agree the budget strategy, process and timetable for the 2016/17 budget cycle as outlined in Section 1 [pages 1 to 2 refer] and Appendix A of the MFR document.
- 2.2 To agree incorporation of the budget savings and pressures identified in Section 4 [pages 11 to 13 refer]. This provides an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in Section 5 [page 14 refers] of the MFR document.

### Capital

- 2.3 To note the changes to the Capital Plan as set out in Section 6 [pages 15 to 19 refer] of the MFR document and agree the new proposals:

Ref.	Description	2015/16 £000	2016/17 £000	Total £000
SC605	Replacement Building Access Control System	50	50	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	200
SC607	Fleet Maintenance and Management Service at Waterbeach	34	11	45
	<b>Total Proposals</b>	<b>99</b>	<b>246</b>	<b>345</b>

### Reserves

- 2.4 To agree changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £5.13m and the target level at £6.16m as detailed in Section 7 [pages 20 to 21 refer].

### **3. Background**

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

- 3.1 The purpose of this report is to outline the overall financial position of the Council and to consider the prospects for the 2016/17 budget process within the context of projections over the medium-term. The detailed analysis undertaken to fulfil this is presented in the Mid-year Financial Review (MFR) October 2015 document appended to this report.
- 3.2 The document considers the General Fund revenue position and the Council's overall Capital Plan.
- 3.3 Revenue forecasts are presented for the 5-year projection period through to the year 2020/21, demonstrating the sustainability of the Council's financial planning with reference to the level of reserves held throughout this period.
- 3.4 The report considers the effects of external factors affecting budget preparation, including the overall economic climate, and external funding levels which can reasonably be expected; as well as the existing commitments of the Council.
- 3.5 Recommendations for approval of specific revenue and capital costs, as identified, are included.
- 3.6 The analysis undertaken leads to a recommended integrated financial strategy for the 2016/17 detailed budget-setting process.

### **4. Implications**

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

## **5. Background Papers**

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

MFR Working Papers on the 2015/16 and 2016/17 files

## **6. Appendices**

MFR October 2015: 2015/16 to 2020/21 Document

## **7. Inspection of papers**

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

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Version 2  
Council

# General Fund Mid-year Financial Review

October  
2015

2015/16 to 2020/21

Cambridge City Council



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

The Council's 2015/16 budget-setting report outlined the broad elements of a comprehensive three-year strategy for securing a secure financial future of Cambridge City Council, reducing the annual savings targets significantly for each year until 2018/19. It did this by conducting a major review of our earmarked reserves, outlining a series of proposals to invest in new revenue streams, and the initiation of a significant programme of Business Transformation that is streamlining the council's operations and ensuring that we deliver services in a more joined up and efficient way. The aim of this agenda was to allow us to balance our books responsibly while minimising the need for cuts to our services and allowing us leeway to invest in our priorities, such as our Anti-Poverty Strategy.

We need to strengthen and continue this strong vision as we approach the 2016-17 budget process. This Mid-Year Financial Review gives us a chance to pause, take stock and review the assumptions and basis upon which the next budget will be built. It does not aim to pre-empt the next budget process, but rather outline concrete new pressures and savings that have emerged since February and can be used to revise the figures upon which our budget will be based, providing us with a realistic starting place for making the financial decisions that will shape the next few years. Issues such as the burden being placed on local authorities from National Insurance changes and, in the other direction, higher than anticipated savings from our Business Transformation Programme to date, alter and re-profile our current set of future savings targets, as is clear from the document. However they do not, at this stage, significantly alter the scale of the financial challenge that we will face in the next five years.

A number of challenges are implicit or explicit in this document. Firstly, there is the lingering uncertainty of the status of our core government funding, which the political events of the past six months have only increased. We can only continue to operate on our previous assumptions concerning the reduction in our Revenue Support Grant, as there is no better framework for our calculations at this stage. However, given that the Chancellor of the Exchequer has asked unprotected departments, of which the Department for Communities

and Local Government is one, to draw up a further wave of cuts, ranging from 25% to 40%, the content of the upcoming Comprehensive Spending Review to be announced on 25<sup>th</sup> November is uncertain and potentially very damaging. The lack of future certainty, tight timelines and the 'cuts fatigue' that is setting in after year-on-year reductions make this a very challenging context. However, we are determined to ensure that we have the flexibility to be able to react to the multiple possibilities that this situation presents, without having to make panicky or short-termist cuts.

This is why we will, ahead of the 2016/17 budget to be published January 2016, analyse a wide range of savings options that provide us with the set of possibilities we need to react to this potentially rapidly-changing context. Some of them have already been mooted or subjected to scrutiny, such as a further set of shared services proposals and the further outline stages of our Business Transformation Programme, which, as this document indicates, has made a strong start. As the results of the Spending Review and Local Government Finance Settlement become clear, we will be able to make the complex set of decisions required, based upon these options, to ensure that we protect both the council's financial future and the services that our residents rely on. There will also be negative consequences for future General Fund budgeting from the sudden and damaging interventions by the Chancellor's July Budget Statement to rent levels and Housing revenue account (HRA) funding. This will include greater pressure on shared overheads, and the need to bring forward reviews of services and projects where funding is shared by the HRA and the General Fund, because of the immediate and growing four year reduction in future HRA funding.

Another challenge that faces us is the uncertainty regarding New Homes Bonus. We have built in a responsible approach that gives us a lot of space for manoeuvre, since the reduction or redistribution would have to be considerable to impact directly on our General Fund resources. However, impending decisions on its future will shape the resources we have at our disposal, and drastic reductions could have impacts on our revenue and capital budgets, including the resources we have available to manage growth and other commitments.

This document also gives some insight into the process of embedding our new capital plan procedures into council business. It outlines how loose ends will be tied up and a new regime of careful forward-planning and responsible resource allocation will be initiated and how existing projects unable to satisfy the new requirements to the satisfaction of the newly-created Capital Programme Board by this November will be taken off the Capital Plan in the next budget. It gives some indication of the resource constraints of the Capital Plan,

and, along with the review undertaken earlier in the year, sets a new disciplined agenda for this council's capital projects.

In short, this document is more of a comma or semi-colon rather than a new paragraph in the administrative and political prose of this council. It aims at providing a sober and low-key chance to pause and take stock before the hard work of putting together the nuts and bolts of the next budget begins. This latter is a task that will involve us once again using our imagination and principles, within a context that poses many risks, in order to marry the threefold financial objectives of this Labour council: sound and prudent financial management to balance the books, the minimisation of the need for cuts to services, and investment in a fairer and more equal city.

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

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

# Section 1

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

### Background

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

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

This MFR is the second such review since the change in control at the Council. It continues and builds upon a number of fundamental reviews of the way the council uses and manages its finances that were introduced in MFR 2014 and BSR 2015. In particular it reflects changes in the processes for developing and managing the capital plan.

The GF MFR incorporates a review of the current year's budget position (2015/16), and updated projections for the 5 years from 2016/17 to 2020/21, to demonstrate the full-year effects of any changes in assumptions made and of their impact in terms of savings requirements and potential changes required in services and their delivery. A key part of the mid-year review processes is the identification of:

- Items which require immediate action or approval
- Items which provide context for decisions on the strategy or process:
  - The level of spending reductions required
  - Resources to be made available for funding the Capital Plan
  - The level of GF general reserves

# Budget consultation

Last year, Cambridge City Council consulted residents on priorities for its budget in 2015/16 using the interactive YouChoose software, developed by the London Borough of Redbridge and the Local Government Association. This guided residents to increase or decrease the budgets for key services to create a balanced budget whilst incorporating budget reductions of £6m. This reduction reflected the level of savings that the Council needed to achieve over the next four years.

This year, the budget consultation process will build on the results of last year through a number of focus groups comprising local residents, businesses and representatives from the voluntary sector. These groups will look more closely at the services identified for possible budget reductions by the YouChoose consultation, considering the size and impact of potential savings. The final report from the consultation should be available by the end of October 2015 and the findings will inform the decisions that Councillors make about the Council's budget for 2016/17.

## Timetable

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

Date	Task
<b>2015</b>	
12 October	Strategy & Resources Scrutiny Committee consider the GF MFR for recommendation to Council by the Leader
22 October	Council considers both GF and HRA MFR reports
<b>2016</b>	
6 January	Budget Setting Report (BSR) published
18 January	BSR considered by Strategy & Resources Scrutiny Committee
21 January	The Executive consider and recommend the BSR and Council Tax level to Council
8 February	Special Strategy & Resources Scrutiny Committee to consider any budget amendment proposals
25 February	Council approves Budget Setting Report and sets the level of Council Tax for 2014/15

# Section 2

## Policy context, priorities and external factors

### Local policy context and priorities

#### **Annual Statement**

The Annual Statement for 2015/16 sets out the local policy context and priorities for the Council. It was agreed in May 2015 and can be accessed on the council's website at:

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

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

#### **Partnership working**

The Council works in partnership with a range of other bodies where this can bring additional benefits to the people who live work and study in our area, especially when this leads to a pooling of resources and skills to achieve a common aim.

#### **City Deal**

The City Council is working with Cambridgeshire County Council, South Cambridgeshire District Council, the University of Cambridge and the Greater Cambridge Greater Peterborough Local Enterprise Partnership to deliver infrastructure, housing and skills targets as agreed with Government in the Greater Cambridge City Deal. The deal consists of a grant of up to £500 million, to be released over a 15 to 20 year period, expected to be matched by up to another £500million from local sources, including through the proceeds of growth. Further information on the Deal, including the developing programme of infrastructure delivery is available on the web at:

<http://www.greatercambridgecitydeal.com/>

## Shared services

The Council currently shares some services with neighbouring councils and is working with these councils to develop other shared services where it makes sense to do so. We expect the benefits of working together to include improvements in service delivery, efficiencies and greater resilience. Shared services for Legal, ICT and Building Control are expected to be operational within the current financial year, with additional collaborations for Planning and other back office services planned for 2016/17.

# National policy context

## Government spending announcements

The Coalition Government published the Budget on 18 March 2015. Following the General Election, an additional Summer Budget was presented to Parliament on 8 July 2015. The following announcements included in these budgets will impact on the Council and therefore required consideration:

### 18 March Budget

- Structural review of business rates announced
- In 2015/16 and 2016/7, total managed expenditure will fall in real terms at the same rate as over the period 2010/11 to 2014/15 – so local government can expect further reductions in government funding
- There will be a pilot scheme to allow councils to keep 100% of business rates growth above existing forecasts. The Cambridgeshire and Peterborough area, along with Greater Manchester and Cheshire East will pilot this scheme.

### 8 July Summer Budget

- There will be no changes to the local government finance settlement for 2015/16
- There will be a Spending Review in the autumn, with an expected publication date of 25 November 2015.
- Defence spending will be added to current 'protected' budgets and will rise by 0.5% per year in real terms until 2020/21. This reduces the total of 'unprotected' budgets, and may mean greater than expected cuts for local government
- A National Living Wage was announced, separate and distinct from the Living Wage as set by the Living Wage Foundation, which will impact on council budgets as pay rates for some lower paid employees and contractors are increased to these levels

- Local government employee pay will be restrained at 1% per year for four years from 2016/17
- Welfare cuts of £12bn will be required over 4 years, putting pressure on services that support those on low incomes and the requirement to fund the Local Council Tax Reduction Scheme.

In addition to the above, the Budget has made significant changes that impact the Council's Housing Revenue Account (HRA). These include requiring rent reductions of 1% each year for the next four years and the extension of Right to Buy to Housing Association tenants funded by compulsory sales of Council stock. Whilst there will be direct impact on the HRA business plan, there will be consequences for the GF. In the longer term there will be pressure on the GF element of the homelessness budget and increased costs within temporary accommodation budgets. There will also be increased demands on the support the council provides for residents on low incomes and on community safety services. If the HRA contracts, as currently expected, it will contribute less towards the Council's overhead costs.

## **Local Government finance**

A great deal of uncertainty still exists for councils following the two 2015 budgets. However, the Chancellor has extended the timescale for bringing the economy back into surplus from 2018/19 to 2019/20, which should reduce the rate of required cuts to funding for local government as a whole.

No announcements have been made or indications given with regard to possible changes in the distribution of funding between councils. The system could be rebalanced, possibly through changes to New Homes Bonus (NHB), or consideration of the ability to raise council tax.

### **2016/17 and future years**

No indications of the Local Government Finance Settlement for 2016/17 and beyond have been given. Therefore this MFR assumes that the level of Settlement Funding Assessment (SFA) will continue to reduce at a similar rate to that over the last two years until the entire Revenue Support Grant (RSG) has been removed. This equates to a 13% reduction on SFA in each of the 4 years from 2016/17 and is considered to be a prudent basis for the purpose of developing indicative budgets for these years.

The SFA includes the business rates baseline. A fundamental review of business rates is currently underway and is due to report by Budget 2016. However, HM Treasury have

indicated that the outcome is intended to be fiscally neutral. Additionally all business premises will be subject to revaluation at 1 April 2017. The impact on the Council's list of rateable values (RVs), and therefore on business rates chargeable, is uncertain. However, any impact on the council could be removed through adjustment of the top-ups and tariffs within the business rates retention system. At this stage it has been assumed that there will be no change to the business rates baseline included within the SFA.

The Chancellor has announced a Spending Review (SR) which is expected to report on 25 November 2015. This may provide some indication of changes to the level of Local Government funding for 2016/17 and possibly for the following 3 years.

The projections, which are included in the February 2015 BSR, are shown below:

	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
<b>Total SFA - per February 2015 BSR</b>	6,004	5,224	4,545	3,954	3,954
<b>Increase in net revenue savings required in year</b>	-	<b>780</b>	<b>679</b>	<b>591</b>	<b>0</b>

## **New Homes Bonus**

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

NHB is effectively a distribution mechanism for part of the total Government funding available for Local Government, and may be subject to reduction and/or redistribution. In the absence of any indication to the contrary, no changes to the amounts forecast in BSR 2015 are assumed.

Along with partners, the Council has committed 50% of NHB funding each year to a city Deal Investment and Delivery Fund. If NHB reduces, it is this contribution that would be impacted first. Reductions greater than these amounts would require savings in revenue or capital spending in general, the remainder of commitments against NHB could be funded from other sources and would require prioritisation against other spending commitments.

NHB receipt estimates, based on projections of future housing completions and empty homes brought back into use, are shown below, along with current commitments.

Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
<b>Confirmed NHB funding at February 2015 BSR</b>	<b>(4,963)</b>	<b>(4,963)</b>	<b>(4,176)</b>	<b>(3,441)</b>	<b>(2,878)</b>	<b>(1,587)</b>
<b>Add</b>	-	-	-	-	-	-
Estimated NHB receipts for 2016/17	-	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)
Estimated NHB receipts for 2017/18	-	-	(1,726)	(1,726)	(1,726)	(1,726)
Estimated NHB receipts for 2018/19	-	-	-	(2,004)	(2,004)	(2,004)
Estimated NHB receipts for 2019/20	-	-	-	-	(1,726)	(1,726)
Estimated NHB receipts for 2020/21	-	-	-	-	-	(1,573)
<b>Potential New Homes Bonus Total</b>	<b>(4,963)</b>	<b>(6,017)</b>	<b>(6,956)</b>	<b>(8,225)</b>	<b>(9,388)</b>	<b>(9,670)</b>
<b>Commitments against NHB</b>						
Funding for officers supporting growth e.g. within planning	785	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	564
Direct revenue funding of capital	1,170	1,075	1,075	1,075	1,075	1,075
Contribution to City Deal Investment and Delivery Fund	1,985	3,009	3,478	4,113	4,694	4,835
Contribution to A14 Mitigation Fund	-	-	-	-	1,500	-
<b>Total commitments against NHB</b>	<b>4,504</b>	<b>5,433</b>	<b>5,902</b>	<b>6,537</b>	<b>8,618</b>	<b>7,259</b>
<b>NHB uncommitted</b>	<b>(459)</b>	<b>(585)</b>	<b>(1,054)</b>	<b>(1,689)</b>	<b>(770)</b>	<b>(2,411)</b>

## External factors

Growth now appears to be established in the UK economy, with a relatively positive outlook for continuing progress. However, there are considerable risks to that growth from, for example, declining growth rates in China, and Eurozone problems with Greece and potentially other southern European economies.

The UK labour market performance continues to improve, with increasing levels of employment and wages growth. However, a productivity gap remains between the performance of the UK economy and other major advanced economies. The productivity gap, along with the housing market remains an important source of risk for the UK economy.

## Inflation rates

The base rate of inflation used to drive expenditure assumptions in the GF financial forecasts is the Consumer Price Index (CPI). The base level of inflation included within forecasts is 2% reflecting the Government target for CPI. CPI was unchanged in the year to June 2015, that is, a 12-month rate of 0.0%. In the very near term, inflation is expected to remain at or close to zero as past falls in the price of food, energy and other goods continue to impact the rate. Inflation is predicted to rise towards the end of 2015, and to return to the target level of 2% within 2 years.

## Interest rates on deposits

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

Status	Year	Interest Rate Earned on Balances
Council Estimated Rates	2015/16	1.12%
	2016/17	1.37%
	2017/18	1.62%
	2018/19	1.62%

## Interest rates on borrowing

The Council has no GF borrowing or existing plans to borrow.

It does however, have an HRA self-financing loan portfolio of just under £214m taken out on 28th March 2012 from the Public Works Loans Board (PWLB) at rates of between 3.46% and 3.53%. Any additional borrowing must be within the level of the current Authorised Borrowing Limit, resulting in maximum borrowing in the region of £16m still being available.

# Section 3

## Review of key assumptions

Budget forecasts presented in the February 2015 Budget Setting Report were based on a number of key assumptions, for example levels of general and pay inflation, interest rates, future funding requirements and Council Tax levels.

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

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

Key area	Assumption	Comment	Status
Pay Inflation	Pay progression cost estimate plus: 2016/17 – 1.0% 2017/18 – 1.0% 2018/19 – 1.0% 2019/20 – 1.0% and 2.5% thereafter	Reflects Government guidance for the four years from 2016/17, then providing for an increase thereafter.	Updated
Employee turnover	3%	In general, employee budgets assume an employee turnover saving of 3.0% of gross pay budget. Specific vacancy factors are applied where experience indicates that a different vacancy factor is more applicable.	Retained

Key area	Assumption	Comment	Status
General inflation (CPI)	2%	Updated central provisions have been made as appropriate for fuel, electricity and gas based on current knowledge of these markets or revised contractual commitments.  The same inflation factors are applied to Central and Support Services as for direct services.	Retained
Major Contracts	Inflation per contract	Major contracts and agreements, in term, are rolled forward based on the specified indices in the contract or agreement	Retained
Income and charges increases	2.5%	Income and Charges – general assumption of 2.5% ongoing, but specific reviews of all charges required by committees. Property rental income based on detailed projections and rent reviews.	Retained
Capital funding contributions	£1.880m	Capital funding contributions at base level of £1.880m per annum.	Retained
Council Tax increase	2.0% ongoing	Council Tax increase assumed at 2.0% for 2015/16 ongoing.	Retained
Government grant	Straight line reduction from 2015/16 grant levels assumed	Assumption made of decreases each year for 2016/17 onwards until the Revenue Support Grant element reaches zero.	Retained

# Section 4

## Mid-year budget issues

### 2014/15 Outturn

The position for the net spending on General Fund revenue services for the year 2014/15 was a favourable variance of £2,840k, after allowing for approved carry forward requests of £657k. Taking into account variances on Government funding, statutory capital accounting adjustments, contributions to/ from earmarked reserves and the application of direct revenue funding for capital the overall net effect was an increase in the GF Reserve of £3,753k.

Individual budgets with 2014/15 underspends have been reviewed and on-going savings of £150k have been identified. These savings are spread widely across the Council within premises, transport, and supplies and services cost categories.

### 2015/16 budgets

2015/16 budgets are regularly monitored and action is taken where necessary to bring over spending in line with budgets. Where it looks likely that the annual budget will not be spent in full, this is kept under review to ensure that the service spends only what is necessary to deliver its aims and objectives. However, variance from 2015/16 budgets require consideration of their impacts on future savings requirements and budgets.

A summary of these impacts and other identified pressures and savings are given in the table below and they have been included in the revised projections for the General Fund and saving requirements given in Section 5. It is worth noting the proposal to remove all Priority Policy Funding (PPF). This funding was originally intended to provide financial 'space' for new policy-driven initiatives. However, it also has the effect of building in unspecified future spending into budgets and creating saving requirements. As a result, it has been reduced significantly over recent years, as the Council's funding has reduced. Funding for new policy-driven initiatives will now be assessed alongside all other pressures and savings.

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
<b>Pressures</b>					
Increase in Employer's Class 1 National Insurance contributions by 3.4% of relevant earnings as a result of the abolition of the second state pension (GF).	600	600	600	600	600
Telephony project - additional annual revenue expenditure, endorsed for inclusion in the MFR by Strategy and Resources Scrutiny Committee 23 March 2015	57	57	57	57	57
Bulky waste saving unlikely to be achieved. Project to realise this saving has not been started due to resource constraints and the pressures of other changes within the service	90	90	90	90	90
Office Accommodation Strategy - Letting of Guildhall Annexe - revised income profile	100	0	(50)	(50)	(50)
Gas and Electricity potential price increases	60	60	60	60	60
Replacement of new Financial Management System - Ongoing additional revenue implications - approved at Council on 23 July 2015	105	105	105	105	105
Transformation projects - Building Control: refinement of business case, Strategy and Resources Scrutiny Committee 13 July 2015	28	28	28	28	28
Transformation projects – Destination Management Organisation: refinement of business case, Community Services Scrutiny Committee 19 March 2015	31	30	5	5	5
<b>Total pressures</b>	<b>1,071</b>	<b>970</b>	<b>895</b>	<b>895</b>	<b>895</b>
<b>Deliverable savings</b>					
Savings identified from 2014/15 underspends – premises, transport, supplies and services	(150)	(150)	(150)	(150)	(150)
Removal of £100k annual PPF	(100)	(200)	(300)	(400)	(500)
National pay restraint at 1% until 1 April 2019	(100)	(200)	(300)	(300)	(300)
Reduce savings target to reduce contribution to reserves	(200)	(200)	(200)	(200)	(200)
Reduction in inflation provided for supplies and services expenditure	(100)	(100)	(100)	(100)	(100)
Transformation projects – Legal Shared service: refinement of business case, Strategy and Resources Scrutiny Committee 13 July 2015	(55)	(55)	(55)	(55)	(55)
<b>Total deliverable savings</b>	<b>(705)</b>	<b>(905)</b>	<b>(1,105)</b>	<b>(1,205)</b>	<b>(1,305)</b>
<b>Total pressures less deliverable savings</b>	<b>366</b>	<b>65</b>	<b>(210)</b>	<b>(310)</b>	<b>(410)</b>

Applying these budget savings and pressures gives an indication of the net savings requirements by year for the next 5 years, assuming that savings are delivered in the year that the requirement is identified.

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
BSR 2015 - Current Savings Target (new savings each year)	223	46	991	1,813	1,813
Previous year savings not achieved / (over achieved)	-	-	(255)	-	-
<b>Revised savings target</b>	<b>223</b>	<b>46</b>	<b>736</b>	<b>1,813</b>	<b>1,813</b>
New pressures in year	1,071	(101)	(75)	-	-
<b>Revised savings target including pressures</b>	<b>1,294</b>	<b>(55)</b>	<b>661</b>	<b>1,813</b>	<b>1,813</b>
New deliverable savings found in year	(705)	(200)	(200)	(100)	(100)
<b>Savings still to be found</b>	<b>589</b>	<b>(255)</b>	<b>461</b>	<b>1,713</b>	<b>1,713</b>

# Section 5

## General Fund – Expenditure & Funding

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

Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
<b>Expenditure</b>						
Net service budgets	18,617	17,172	17,728	19,052	19,979	21,215
Revenue budget proposals	-	366	65	(210)	(310)	(410)
Future years PPF provision	-	-	-	-	-	-
Capital accounting adjustments	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)
Capital expenditure financed from revenue	10,857	1,562	1,880	1,880	1,880	1,880
Contributions to earmarked funds	11,024	5,749	5,794	6,196	7,388	6,534
Revised net savings requirement	-	(589)	255	(461)	(1,713)	(1,713)
Contribution to reserves	-	1,007	5	54	56	56
<b>Net spending requirement</b>	<b>35,842</b>	<b>20,611</b>	<b>21,071</b>	<b>21,854</b>	<b>22,624</b>	<b>22,906</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(6,889)	(6,004)	(5,224)	(4,545)	(3,954)	(3,954)
Locally Retained Business Rates – Growth element	(800)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	-	-	-	-	-	-
New Homes Bonus (NHB)	(4,963)	(6,017)	(6,956)	(8,225)	(9,388)	(9,670)
Appropriations from earmarked funds	(14,803)	(382)	(382)	(382)	(382)	(382)
Council Tax	(7,058)	(7,408)	(7,709)	(7,902)	(8,100)	(8,100)
Contributions from reserves	(1,329)	-	-	-	-	-
<b>Total funding</b>	<b>(35,842)</b>	<b>(20,611)</b>	<b>(21,071)</b>	<b>(21,854)</b>	<b>(22,624)</b>	<b>(22,906)</b>

# Section 6

## Capital plan

### Approved plan

The capital plan was approved by Council in February 2015. Since then, Council has approved further changes to the plan including adding projects carried forward from 2014/15 of £13,289k and new approvals of £1,010k.

Approved since BSR	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<b>Approved at BSR Feb 2015</b>							
Programmes	10,307	533	520	700	0	0	12,060
Projects	1,161	36	31	36	0	0	1,264
<b>Sub-total</b>	<b>11,468</b>	<b>569</b>	<b>551</b>	<b>736</b>	<b>0</b>	<b>0</b>	<b>13,324</b>
Provisions	10,041	472	989	100	0	0	11,602
<b>Total</b>	<b>21,509</b>	<b>1,041</b>	<b>1,540</b>	<b>836</b>	<b>0</b>	<b>0</b>	<b>24,926</b>

Changes approved and adjustments made in year:							
Programmes	1,548	0	0	0	0	0	1,548
Projects	1,330	161	0	0	0	0	1,491
<b>Sub-total</b>	<b>2,878</b>	<b>161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,039</b>
Provisions	9,430	322	(417)	120	56	487	9,998
<b>Total</b>	<b>12,308</b>	<b>483</b>	<b>(417)</b>	<b>120</b>	<b>56</b>	<b>487</b>	<b>13,037</b>

Current approved plan:							
Programmes	11,855	533	520	700	0	0	13,608
Projects	2,491	197	31	36	0	0	2,755
<b>Sub-total</b>	<b>14,346</b>	<b>730</b>	<b>551</b>	<b>736</b>	<b>0</b>	<b>0</b>	<b>16,363</b>
Provisions	19,471	794	572	220	56	487	21,600
<b>Total</b>	<b>33,817</b>	<b>1,524</b>	<b>1,123</b>	<b>956</b>	<b>56</b>	<b>487</b>	<b>37,963</b>

# Changes to capital project approval processes

Changes to the capital project approval process were approved at Strategy and Resources Scrutiny Committee on 13 July 2015. All projects must now produce a detailed business case which is examined by the Capital Programme Board (CPB) to ensure that the project is properly planned and therefore deliverable. If the total cost of the project is over £300k, it also requires scrutiny and subsequent endorsement from the relevant Executive Councillor. The project can then be brought forward for funding approval through either the MFR or BSR processes. All projects are also assessed against a prioritisation matrix to support the allocation of limited capital funding. The matrix includes degree of alignment with council objectives, level of delivery risk and financial impact.

To ensure deliverability of projects already on the capital plan, a satisfactory detailed business case must be completed by the end of November 2015, or the project will be listed in the BSR for placement on the Projects under Development (PUD) list. It will then have to be put forward again for funding approval once a detailed business case has been produced.

Due to the change in approval processes, a number of urgent schemes were put forward for and received funding approval at Council on 23 July 2015, rather than be delayed for approval through this MFR. They are listed in the table below for completeness.

# Mid-year capital spending proposals

The table also lists project proposals with detailed business cases that have been endorsed and are now recommended for inclusion in the Plan.

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
-	<b>5% top-slice of 'BSR 2015 funding available' for feasibility budget (revenue)</b>	36	66	82	82	94	94	454
	<b>Approved since BSR Feb 2015</b>							
SC601	Replacement Telecommunications & Local Area Network	400	0	0	0	0	0	400
SC602	Buchan Street Community Centre - new roof replacement	60	0	0	0	0	0	60
SC603	Ross Street Community Centre - new boiler system	36	0	0	0	0	0	36
SC604	Replacement Financial Management System	81	161	0	0	0	0	242
Misc	Section 106 misc	272	0	0	0	0	0	272
SC606	Garret Hostel Lane	22	0	0	0	0	0	22
	<b>Total Approved since BSR Feb 2015</b>	<b>871</b>	<b>161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,032</b>
	<b>Amendments since BSR Feb 2015</b>							
	<b>Costs (and funding) revised</b>							
PV192	Development Land North side Kings Hedges Rd	(174)	(10)	47	0	0	0	(137)
PV554	Development of Land at Clay Farm	(578)	(58)	(789)	120	56	487	(762)
	<b>Transferred from Plan to PUD</b>							
PR030e	Cavendish Road (public art element)	(30)	0	0	0	0	0	(30)
PR030g	East Barnwell Comm Centre improv, Phase 1 S106	(255)	0	0	0	0	0	(255)
PR031g	Milton Rd Lib Comm Meeting Space S106	(100)	0	0	0	0	0	(100)
	<b>Total Adjustments since BSR Feb 2015</b>	<b>(1,137)</b>	<b>(68)</b>	<b>(742)</b>	<b>120</b>	<b>56</b>	<b>487</b>	<b>(1,284)</b>

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
	<b>Proposals</b>							
SC605	Replacement Building Access Control System	50	50	0	0	0	0	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	0	0	0	0	200
SC607	Fleet Maintenance and Management Service at Waterbeach	34	11	0	0	0	0	45
	<b>Total Proposals</b>	<b>99</b>	<b>246</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>345</b>
	<b>Total Approved and Proposed</b>	<b>(131)</b>	<b>405</b>	<b>(660)</b>	<b>202</b>	<b>150</b>	<b>581</b>	<b>547</b>

The prioritisation scores for the two proposed schemes are as follows:

Prioritisation category	SC605 – Access control system	PR037a – Improvements to Cherry Hinton high Street	SC607 - Fleet Maintenance and Management Service
Statutory requirement or business critical	Yes	No	Yes
Alignment with council objectives [Degree of alignment scored against objectives in Annual Statement, then averaged. 0 = no alignment, 5 = will deliver this objective in a value-added / innovative way with additional benefits for the council]	0.3 out of 5 (Scores 2 on 'Protecting essential services and transforming council delivery')	0.6 out of 5 (Scores 4 on 'Protecting our city's unique quality of life')	0.9 out of 5 (Scores 3 on 'Protecting essential services and transforming council delivery'), 2 on "Tackling the housing crisis" and 1 on "Investing in improving transport"
Financial impact	0 = cost neutral	0 = cost neutral	2 = increasing additional net income
Delivery risk – project planning	Low	Medium	Low
Delivery risk – project complexity	Medium	High	High

If the above proposals are accepted, the effect of these schemes, along with schemes already approved in year on the level of unapplied capital funding available is shown in the following table.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
<b>Funding available and unapplied per BSR Feb 2015</b>	<b>(712)</b>	<b>(1,312)</b>	<b>(1,630)</b>	<b>(1,630)</b>	<b>(1,880)</b>	<b>(1,880)</b>
Funding S106	(272)	0	0	0	0	0
Capital Feasibility Fund	36	66	82	82	94	94
Approved since BSR Feb 2015 - S106	272	0	0	0	0	0
Approved since BSR Feb 2015 - Other	577	161	0	0	0	0
Proposed new schemes	99	246	0	0	0	0
<b>Revised capital funding availability</b>	<b>0</b>	<b>(839)</b>	<b>(1,548)</b>	<b>(1,548)</b>	<b>(1,786)</b>	<b>(1,786)</b>

## Revised plan

If the above proposals are approved, the revised capital plan will be as follows:

MFR Proposals	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<b>Current approved plan – as above:</b>							
<b>Total</b>	<b>33,817</b>	<b>1,524</b>	<b>1,123</b>	<b>956</b>	<b>56</b>	<b>487</b>	<b>37,963</b>

<b>Changes proposed:</b>							
Programmes	15	185	0	0	0	0	200
Projects	84	61	0	0	0	0	145
<b>Sub-total</b>	<b>99</b>	<b>246</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>345</b>
Provisions	0	0	0	0	0	0	0
<b>Total</b>	<b>99</b>	<b>246</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>345</b>

<b>Proposed plan:</b>							
Programmes	11,870	718	520	700	0	0	13,808
Projects	2,575	258	31	36	0	0	2,900
<b>Sub-total</b>	<b>14,445</b>	<b>976</b>	<b>551</b>	<b>736</b>	<b>0</b>	<b>0</b>	<b>16,708</b>
Provisions	19,471	794	572	220	56	487	21,600
<b>Total</b>	<b>33,916</b>	<b>1,770</b>	<b>1,123</b>	<b>956</b>	<b>56</b>	<b>487</b>	<b>38,308</b>

# Section 7

## Risks and reserves

### Risks

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

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- Funding from central government (SFA, NHB and other grants) may fall below projections;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2005, may significantly exceed the provision put aside for this purpose;
- The economic recovery may slow, impacting some of the Council's income streams such as car parking income, commercial rents and planning fee income;
- New legislation or changes to existing legislation may have budgetary impacts; and
- Unforeseen capital expenditure, such as major repairs to offices and commercial properties, may be required.

### Reserves

#### General Fund reserve

The GF reserve is held as a buffer against crystallising risks and to deal with timing issues and uneven cashflows. As such, the level of the reserve required is dependent on the financial

risks facing the council which will vary over time. Therefore, the prudent minimum balance (PMB) and target level of the GF reserve has been reviewed in the light of current risks. Detailed calculations of these amounts are provided in Appendix C.

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

<b>General Fund reserves</b>	<b>£m</b>
February 2015 BSR	
- Target level	6.48
- Minimum level	5.40
September 2015 MFR – Recommended levels	
- Target level	6.16
- PMB	5.13

The table below shows current and projected levels of the GF reserve.

<b>Description</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
<b>Balance as at 1 April (b/fwd)</b>	<b>(11,525)</b>	<b>(10,196)</b>	<b>(11,203)</b>	<b>(11,208)</b>	<b>(11,262)</b>	<b>(11,318)</b>
Contribution (to) / from reserves	1,329	(1,007)	(5)	(54)	(56)	(56)
<b>Balance as at 31 March (c/fwd)</b>	<b>(10,196)</b>	<b>(11,203)</b>	<b>(11,208)</b>	<b>(11,262)</b>	<b>(11,318)</b>	<b>(11,374)</b>

## **Earmarked and specific funds**

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

A review of the purpose and use of these funds was undertaken during 2014/15. A number of the funds were discontinued and balances released. Others will be closed once committed balances have been used. It is intended that the number and use of earmarked and specific funds is kept under review and new funds are created only where essential.

# Section 8

## Conclusion

### General Fund savings requirements

The February 2015 BSR identified the need to find £223k of ongoing net savings in the GF in 2016/17. This amount is after the application of £602k 2015/16 savings identified in excess of that year's requirement and a further £784k of new savings in 2016/17 already identified in BSR 2015. Current financial projections, taking account of revised assumptions and incorporating all changes proposed as part of this GF MFR, show that work remains to be done to balance the budgets for 2016/17 and beyond, with additional net savings of £4.2m to be found in the next five years.

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Net savings requirement (BSR Feb 2015)	223	46	991	1,813	1,813
Contribution to savings target (Section 4)	366	(301)	(530)	(100)	(100)
<b>Revised (MFR) net savings requirement</b>	<b>589</b>	<b>(255)</b>	<b>461</b>	<b>1,713</b>	<b>1,713</b>

### General Fund budget strategy

#### The budget process

The GF budget process for 2016/17 will remain broadly similar to that for previous years, working within an overall cash limit designed to meet known financial pressures. However, the previous policy of identifying Priority Policy Fund (PPF) funding will no longer be used to create policy space. The overall funding envelope of the Council is limited, so all new funding proposals create the need to make new savings. As a consequence the merits of every proposal should be assessed independently of an arbitrary amount of PPF.

The updated base model used to prepare this report has driven the recommendations in respect of the 2016/17 budget process and provided indications of the level of savings required to meet both current and anticipated spending needs.

The GF MFR has highlighted:

- An on-going pressure arising from changes to National Insurance contributions;
- Additional expenditure relating to the replacement financial management system, which will be supplied on a hosted 'software as a service' basis, rather than run in house;
- Additional savings identified from transformation projects; and
- Savings arising from government pay policy, limiting pay increases to 1% p.a. for 4 years.

## **Identification of further savings**

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

In response to further expected funding reductions, the Council has embarked on a long term programme of transformation which will make fundamental changes to the way the Council delivers services and interacts with residents, tenants and other parties. The programme is based on the following four themes, which were introduced in MFR 2014 and confirmed in BSR 2015:-

- Protecting core services that residents need and value and ensuring fairness
- Transforming how we deliver services, working with our committed staff team and other partners
- Targeting scarce resources to help people who need help and meet the needs of the most vulnerable
- Making best use of all our assets, reinvesting all available Council resources to maximise financial return and benefits for city residents, and making existing assets work harder too.

Many of these transformational projects are 'back-loaded' with the aim of producing significant, but not instant, efficiencies. However it is only by taking this more fundamental approach that we can ensure the council will deliver the savings it needs to make into the longer term, whilst developing a new style and shape of organisation which is sustainable and fit for the new environment we find ourselves in. As benefits realisation will be key to the success of the programme, a system of governance, with regular reporting on progress and outcomes, has been put in place.

In overview, this MFR shows that:

- the future financial challenge facing the Council is daunting, and is becoming more so;
- further savings will need to be identified to balance the 2016/17 budget to be published in January 2016; and
- parallel to work on the 2016/17 budget, the Council must commence work to address the far larger budget gap projected from 2019 onwards.

After digesting the detail in the Chancellor's Autumn Budget statement on 25th November, the level of future austerity to be directed at local councils should be much clearer. The Council will then be better placed to make necessary decisions on its 2016 budget and to address the longer term challenge.

# Appendix A

## Financial planning timetable

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

Date	Major Stage
	2015
18-May	SLT consider Budget Timetable for 2016/17 Process
28-May	Council adopts Annual Statement setting out plan & priorities from 2015/16
09-Jun	SLT / Exec consider Budget Timetable for 2016/17 Process
07-Jul	SMT presentation on Budget Process and Timetable for 2016/17
<b>24-Aug</b>	<b>SLT consider GF &amp; HRA draft MFRs</b>
<b>01-Sep</b>	<b>SLT / Exec consider GF &amp; HRA draft MFRs</b>
<b>14-Sep</b>	<b>Housing Revenue Account (HRA) MFR published</b>
w/c 14 Sep	Finance despatch Budget Process Guidance and Budget Proposal Forms
<b>24-Sep</b>	<b>Housing Committee considers the HRA MFR</b>
25-Sep	Finance produce Budget Working Papers and Salaries Estimates.
<b>30-Sep</b>	<b>General Fund (GF) Mid-Year Financial Review (MFR) published for S&amp;R Scrutiny Committee</b>
Sept / Oct	MFR & budget briefing for Members
Sept / Oct	Budget process, EqlA and Climate Change workshops for managers
09-Oct	Managers to complete and return Budget Proposal Forms to Finance for 2016/17 Revenue and Capital Budget Proposals
<b>12-Oct</b>	<b>S&amp;R Scrutiny Committee / Leader recommendation of GF MFR to Council</b>
14-Oct	GF MFR published for Council on 22 October
14-Oct	Finance to send proposals to officer groups for assessment including climate change and poverty ratings and EqlA requirements
19-Oct	SLT consider GF, HRA and Capital Budget Proposals
w/c 19 Oct	Officer Working Groups meet to consider and comment on budget proposals
<b>22-Oct</b>	<b>Council considers GF and HRA Mid-Year Financial Review reports</b>
23-Oct	Managers to send 2015/16 September variances to Finance, reporting to SLT on 2 November
27-Oct	SLT / Exec consider GF, HRA and Capital Budget Proposals
28-Oct	General Fund & HRA individual EqlAs deadline

Date	2015
28-Oct	Officer Group (e.g. Climate change) feedback deadline
02-Nov	SLT consider General Fund Budget Proposals and 2015/16 September variances.
16-Nov	SLT consider General Fund Budget Proposals
20-Nov	Managers to complete and return budget working papers, incorporating all budget proposals, to Finance
25-Nov	SLT / Exec consider General Fund Budget Proposals and 2015/16 September variances
11-Dec	General Fund & HRA EqIA deadline
<b>16-Dec</b>	<b>HRA BSR to Committee Services</b>
<b>18-Dec</b>	<b>Publish HRA Budget Setting Report 2016/17.</b>
<b>18-Dec</b>	<b>Finalise (but not publish) GF BSR and Committee budget reports</b>
29-Dec	Final Opposition HRA EqIA deadline
Dec	Provisional Government Settlement Announcement
2016	
04-Jan	GF budget proposals for Environment Scrutiny Committees published
05-Jan	Publish HRA Opposition Budget Amendment
06-Jan	GF budget proposals for Community Services Scrutiny Committees published
<b>06-Jan</b>	<b>Publish General Fund Budget Setting Report and GF budget proposals for Strategy &amp; Resources</b>
12-Jan	Environment Scrutiny Committee consider budget proposals for own portfolios
13-Jan	Meeting of The Executive agenda published
<b>13-Jan</b>	<b>Housing Committee considers any HRA Budget Amendment Executive Councillor for Housing approves rent levels and revenue budgets Executive Councillor makes final capital proposal recommendations to Council Housing Committee considers General Fund Housing budget proposals</b>
14-Jan	Community Services considers GF proposals for its own portfolios
18-Jan	Strategy & Resources Scrutiny Committee considers GF budget proposals for its own portfolios and GF Budget Setting Report
18-Jan	Opposition GF budget proposals to Finance (for finalisation and despatch w/c 1 Feb)
Jan	Final Government Settlement Announcement
<b>21-Jan</b>	<b>Meeting of The Executive to consider and recommend GF Budget Setting Report and Council Tax requirement</b>
22-Jan	Final Opposition GF EqIA deadline
29-Jan	General Fund Opposition Budget Amendment to Committee services
w/c 1 Feb	Publish General Fund Opposition Budget Amendment
<b>08-Feb</b>	<b>Special Strategy &amp; Resources Scrutiny Committee considers any GF budget amendment proposals</b>
15-Feb	Council papers to Committee

Date	2016
17-Feb	Council papers published
<b>25-Feb</b>	<b>Council approves GF Budget and sets Council Tax (including precepts)</b> <b>Council approves General Fund Capital Plan</b> <b>Council approves Housing Capital Plan as part of HRA BSR</b>
31-Mar	Approved budget reports to be sent to Cost Centre Managers by Finance

## Appendix B(a)

### Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
<b>Capital-GF Projects</b>								
SC391	La Mimosa Punting Station	P Doggett	2	0	0	0	0	0
SC410	Mill Road Cemetery	A Wilson	21	0	0	0	0	0
SC416	UNiform e-consultee Access Module	P Boucher	7	0	0	0	0	0
SC436	Pye's Pitch Rec Facilities (\$106)	I Ross	0	0	0	0	0	0
SC468	Vie Play Area (\$106)	A Wilson	0	0	0	0	0	0
SC469	Vie Public Open Space (\$106)	A Wilson	32	0	0	0	0	0
SC476	Water Play Area Abbey Paddling Pool (\$106)	I Ross	2	0	0	0	0	0
SC477	Coleridge Paddling Pool Enhancement (\$106)	I Ross	2	0	0	0	0	0
SC478	Water Play Area Kings Hedges "Pulley" (\$106)	I Ross	2	0	0	0	0	0
SC479	Abbey Pool Play Area Facilities (\$106)	A Wilson	0	0	0	0	0	0
SC492	Jesus Green Play Area (\$106)	A Wilson	2	0	0	0	0	0
SC530	Street Cleaning Planning Software	D Blair	15	0	0	0	0	0
SC540	Electronic Market Management Software	D Ritchie	4	0	0	0	0	0
SC544	Coleridge Recreation Ground Improvements (\$106)	A Wilson	70	0	0	0	0	0
SC548	Southern Connections Public Art Commission (\$106)	A Wilson	25	21	11	21	0	0
SC551	Stourbridge Common - Riverbank Project	A Wilson	0	0	0	0	0	0
SC560	Guildhall & Corn Exchange Cap Schemes RO AR9	D Kaye	98	0	0	0	0	0
SC561	Adaptations - Riverside River Banks	A Wilson	75	0	0	0	0	0
SC562	Review - Street & Open Spaces Benches	A Wilson	5	0	0	0	0	0
SC570	Essential Structural/Holding Repairs - Park Street Multi Storey car park	S Cleary	45	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Saunders	20	0	0	0	0	0
SC574	Essential Repairs to Car Parks	S Cleary	165	0	0	0	0	0
SC579	Office Accommodation Strategy	F Barratt	86	0	0	0	0	0
SC582	Corn Exchange Front of House Toilets	D Kaye	7	0	0	0	0	0
SC584	Parker's Piece Lighting Project (\$106)	A Wilson	0	0	0	0	0	0
SC586	Wide Area Network	T Allen	7	0	0	0	0	0
SC587	Telephone payments upgrade & online payments Content Management System (CMS)	J James	16	0	0	0	0	0
SC588	NW Cambridge Development Underground Collection Vehicle	M Parsons	210	0	0	0	0	0
SC589	Grand Arcade Car Park Stairwell Refurbishment	S Cleary	7	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	S Cleary	499	15	20	15	0	0

## Appendix B(a)

### Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
SC591	Crematorium Data Link	T Lawrence	8	0	0	0	0	0
SC596	Replacement Air Cooling Systems	W Barfield	167	0	0	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donnell	200	0	0	0	0	0
SC598	Supply and install generator at the Crematorium	T Lawrence	50	0	0	0	0	0
SC599	Buchan St Shopping Area Improvements	A Wilson	28	0	0	0	0	0
SC600	Far East Prisoners of War Commemorative Plaque	A Wilson	15	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	T Allen	400	0	0	0	0	0
SC602	Buchan Street Community Centre - new roof replacement	I Ross	60	0	0	0	0	0
SC603	Ross Street Community Centre - new boiler system	I Ross	36	0	0	0	0	0
SC604	Replacement Financial Management System	C Ryba	81	161	0	0	0	0
SC605	Replacement Building Access Control System	C Arnold	50	50	0	0	0	0
SC606	Garret Hostel Lane	D Prinsep	22	0	0	0	0	0
SC607	Fleet Maintenance and Management Service at Waterbeach	M Parsons	34	11	0	0	0	0
<b>Capital-GF Projects</b>			<b>2,575</b>	<b>258</b>	<b>31</b>	<b>36</b>	<b>0</b>	<b>0</b>
<b>Capital-Programmes</b>								
PR010a	Environmental Improvements Programme - North Area	A Wilson	132	50	50	50	0	0
PR010b	Environmental Improvements Programme - South Area	A Wilson	143	36	36	36	0	0
PR010c	Environmental Improvements Programme - West/Central Area	A Wilson	136	36	36	36	0	0
PR010d	Environmental Improvements Programme - East Area	A Wilson	144	48	48	48	0	0
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Wilson	31	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	1,027	0	0	0	0	0
PR020	ICT Infrastructure Programme	J Nightingale	170	0	0	0	0	0
PR023	Admin Buildings Asset Replacement Programme	W Barfield	71	0	0	0	0	0
PR024	Commercial Properties Asset Replacement Programme	W Barfield	27	0	0	0	0	0
PR027	Replacement of Parks & Open Space Waste/Litter Bins	D Blair	116	0	0	0	0	0
PR028	Litter Bin Replacement Programme	D Blair	132	0	0	0	0	0
PR030a	Increase Biodiversity at Stourbridge Common (S106)	G Belcher	0	0	0	0	0	0
PR030d	St Thomas Square Play Area Improvements (S106)	A Wilson	50	0	0	0	0	0
PR030e	Cavendish Rd (Mill Rd end) improvements: seating & paving (S106)	A Wilson	8	0	0	0	0	0
PR030f	Bath House Play Area Improvements (S106)	A Wilson	49	0	0	0	0	0
PR030h	Romsey 'town square' public realm improvements (S106)	A Wilson	58	0	0	0	0	0

## Appendix B(a)

### Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
PR030i	Ross St Community Centre Improvements (\$106)	S Roden	0	0	0	0	0	0
PR030k	C3: grant for kitchen facilities & portable stage lift (\$106)	J Hanson	53	0	0	0	0	0
PR031b	BMX track next to Brown's Field Community Centre (\$106)	A Wilson	29	0	0	0	0	0
PR031d	Chestnut Grove play area improvements (\$106)	A Wilson	50	0	0	0	0	0
PR031f	Buchan St Neighbourhood Centre Improvements (\$106)	S Roden	0	0	0	0	0	0
PR031i	Perse Way Flats Play Area (\$106)	A Wilson	25	0	0	0	0	0
PR031k	St Luke's Church: grant for refurbishment of community facilities (\$106)	J Hanson	30	0	0	0	0	0
PR032c	Cherry Hinton Recreation Ground Improvements (\$106)	A Wilson	0	0	0	0	0	0
PR032e	Accordia Trim Trail & Jnr Scooter Park (\$106)	A Wilson	50	0	0	0	0	0
PR032f	Cherry Hinton Baptist Church Family Centre (\$106)	B Keady	111	0	0	0	0	0
PR032g	Cherry Hinton Rec Ground pavilion refurb. (\$106)	I Ross	99	0	0	0	0	0
PR032h	Trumpington Bowls Club Pavilion Ext. (\$106)	I Ross	70	0	0	0	0	0
PR033a	Benches in Parks & Open Spaces (\$106)	A Wilson	0	0	0	0	0	0
PR033c	Public Art element of improvements to the entrances at Histon Rd Rec (\$106)	A Wilson	13	0	0	0	0	0
PR033f	Histon Rd Rec Ground Improvements (\$106)	A Wilson	55	0	0	0	0	0
PR033i	St Mark's Church Hall - Kitchen / Lobby Extension (\$106)	B Keady	0	0	0	0	0	0
PR033j	St Augustine's Church: grant for church hall side extension (\$106)	J Hanson	87	0	0	0	0	0
PR034a	Logan's Meadow Local Nature Reserve (LNR) Extension (\$106)	G Belcher	0	0	0	0	0	0
PR034b	Paradise Local Nature Reserve (LNR) (\$106)	G Belcher	0	0	0	0	0	0
PR034c	Drainage of Jesus Green (\$106)	A Wilson	6	0	0	0	0	0
PR034d	Public Art - 150th & 400th Anniversary (\$106)	A Wilson	98	0	0	0	0	0
PR034g	Grant for extension to St Andrew's Hall to provide a dedicated space for a community cafe (\$106)	B Keady	0	0	0	0	0	0
PR034i	Parkside Pool Starting Blocks (\$106)	I Ross	0	0	0	0	0	0
PR034p	Cambridge 99 Rowing Club: grant for kitchen facilities (\$106)	I Ross	5	0	0	0	0	0
PR034q	Cambridge Canoe Club: additional boat and equipment store (\$106)	I Ross	10	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (\$106)	K Laws	122	125	112	100	0	0
PR036	Additional investment in Commercial Property Portfolio	D Prinsep	8,515	0	0	0	0	0
PR037	Local Centres Improvement Programme	A Wilson	44	0	0	0	0	0
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	G Richardson	15	185	0	0	0	0
PR038	Drainage and resurfacing works at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery	T Lawrence	20	208	208	400	0	0
PR039	Minor Highway Improvement Programme	A Wilson	30	30	30	30	0	0

## Appendix B(a)

### Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
PR040	S106 Public Art Projects	A Wilson	0	0	0	0	0	0
PR040a	Big Draw event 2015, Chesterton (public art grant) (S106)	A Wilson	1	0	0	0	0	0
PR040b	Rock Road library community garden (public art grant) (S106)	A Wilson	7	0	0	0	0	0
PR040c	Creating my Cambridge: clicking to connectivity (public art grant)	A Wilson	15	0	0	0	0	0
PR040d	Twilight at the Museums 2016: animated light projection (public art grant) (S106)	A Wilson	14	0	0	0	0	0
PR040e	Cambridge Sculpture Trails leaflet (public art grant) (S106)	A Wilson	3	0	0	0	0	0
<b>Capital-Programmes</b>			<b>11,870</b>	<b>718</b>	<b>520</b>	<b>700</b>	<b>0</b>	<b>0</b>
<b>Capital-GF Provisions</b>								
PV007	Cycleways	A Wilson	275	100	100	100	0	0
PV016	Public Conveniences	A Wilson	41	0	0	0	0	0
PV018	Bus Shelters	A Wilson	127	0	0	0	0	0
PV033B	Street Lighting	A Wilson	82	0	0	0	0	0
PV163	Compulsory Purchase Orders (CPOs)	R Ray	0	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	10	10	47	0	0	0
PV221b	Lion Yard - Contribution to Works Phase 2	P Doggett	40	40	300	0	0	0
PV386	HMOs - Management Orders	R Ray	0	0	0	0	0	0
PV526	Clay Farm Community Centre - Phase 1 (S106)	A Carter	0	0	0	0	0	0
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	88	0	0	0	0	0
PV532	Cambridge City 20mph Zones Project	A Wilson	316	0	0	0	0	0
PV549	City Centre Cycle Parking	A Wilson	190	0	0	0	0	0
PV554	Development Of land at Clay Farm	A Carter	1,159	269	100	120	56	487
PV564	Clay Farm Community Centre -Phase 2 (Construction)	A Carter	9,810	0	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	D Prinsep	100	375	25	0	0	0
PV594	Green Deal	J Dicks	5,404	0	0	0	0	0
PV595	Green Deal - Private Rental Sector	J Dicks	1,829	0	0	0	0	0
<b>Capital-GF Provisions</b>			<b>19,471</b>	<b>794</b>	<b>572</b>	<b>220</b>	<b>56</b>	<b>487</b>
<b>Total GF Capital Plan</b>			<b>33,916</b>	<b>1,770</b>	<b>1,123</b>	<b>956</b>	<b>56</b>	<b>487</b>

## Appendix B(b)

### Capital Plan [Under Development] 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
<b>Capital-GF Under Development</b>								
UD016	Public Conveniences	A Wilson	0	437	0	0	0	0
UD020	ICT Infrastructure Programme	J Nightingale	0	90	160	110	0	0
UD023	Admin Buildings Asset Replacement Programme	T Burdon	0	138	74	62	0	0
UD024	Commercial Properties Asset Replacement Programme	D Prinsep	0	433	20	22	0	0
UD030g	East Barnwell Comm. Centre impr. phase 1 (\$106)	D Kaye	0	255	0	0	0	0
UD030j	Cavendish Rd (Mill Rd end) improvements: public art (\$106)	A Wilson	0	30	0	0	0	0
UD030l	Sturton Street Chapel & Hall: grant for community meeting space conversion (\$106)	J Hanson	0	49	0	0	0	0
UD031g	Milton Rd Library Community Meeting Space (\$106)	D Kaye	0	100	0	0	0	0
UD033k	King's College School: grant for visitor sports changing facilities (\$106)	I Ross	0	50	0	0	0	0
UD034j	Rouse Ball Pavilion Development	A Wilson	0	250	0	0	0	0
UD034m	King's College School: grant for visitor sports changing facilities (\$106)	I Ross	0	75	0	0	0	0
UD034n	Cambridge Gymnastics Academy: grant for warehouse conversion into gym facility (\$106)	I Ross	0	65	0	0	0	0
UD034o	Netherhall School: supplementary grant for gym and fitness suite facilities (\$106)	I Ross	0	64	0	0	0	0
UD034r	Cambridge Rugby Club: grant for new changing rooms (\$106)	I Ross	0	200	0	0	0	0
UD037	Local Centres Improvement Programme	G Richardson	0	0	195	195	195	0
UD037b	Local Centres Improvement Programme - Arbury Court	G Richardson	0	195	0	0	0	0
UD472	Chery Hinton Hall Grounds Improvements (\$106)	A Wilson	0	400	0	0	0	0
UD475	Nightingale Recreation Ground Pavilion Refurbishment (\$106)	I Ross	0	200	0	0	0	0
UD534	Refurbishment of Park Street Car Park	S Cleary	0	0	0	0	0	0
UD593	A14 mitigation schemes (previously Keep Cambridge Moving Fund contribution)	S Payne	0	0	0	0	1,500	0
UD607	Grand Arcade LED Lights	S Cleary	0	286	0	0	0	0
<b>Capital-GF Under Development</b>			<b>0</b>	<b>3,317</b>	<b>449</b>	<b>389</b>	<b>1,695</b>	<b>0</b>

<b>Total GF Under Development</b>	<b>0</b>	<b>3,317</b>	<b>449</b>	<b>389</b>	<b>1,695</b>	<b>0</b>
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## Appendix B (c)

### Capital Plan Funding 2015/16 to 2020/21

Description	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
<b>External Support</b>						
Developer Contributions	(6,867)	(146)	(123)	(121)	0	0
Other Sources	(9,047)	(50)	(50)	(50)	0	0
Prudential Borrowing	(2,804)	0	0	0	0	0
Supplementary Credit Approvals (SCA)	0	0	0	0	0	0
<b>Total - External Support</b>	<b>(18,718)</b>	<b>(196)</b>	<b>(173)</b>	<b>(171)</b>	<b>0</b>	<b>0</b>
<b>City Council</b>						
Direct Revenue Financing (DRF) - GF Services	(2)	0	0	0	0	0
Direct Revenue Financing (DRF) - Use of Reserves	(10,857)	(1,562)	(1,880)	(1,880)	(1,880)	(1,880)
Earmarked Reserve - Capital Contributions	(297)	(208)	(208)	(400)	0	0
Earmarked Reserve - Repair & Renewals Fund	(2,228)	(15)	(20)	(15)	0	0
Earmarked Reserves - Technology Investment Fund	(4)	0	0	0	0	0
Internal Borrowing - Temporary Use of Balances	(1,159)	(269)	(100)	(120)	(56)	(487)
Usable Capital Receipts	(665)	(425)	(372)	0	0	0
<b>Total - City Council</b>	<b>(15,212)</b>	<b>(2,479)</b>	<b>(2,580)</b>	<b>(2,415)</b>	<b>(1,936)</b>	<b>(2,367)</b>
<b>Total Available Finance</b>	<b>(33,930)</b>	<b>(2,675)</b>	<b>(2,753)</b>	<b>(2,586)</b>	<b>(1,936)</b>	<b>(2,367)</b>

## Appendix B (d)

### Funding of Capital Projects Under Development 2015/16 to 2020/21

Description	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
<b>External Support</b>						
Developer Contributions	0	(1,738)	0	0	0	0
<b>Total - External Support</b>	<b>0</b>	<b>(1,738)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>City Council</b>						
Direct Revenue Financing (DRF) - Use of Reserves	0	(1,293)	(449)	(389)	(195)	0
Marked Reserve - Capital Contributions	0	(286)	0	0	(1,500)	0
<b>Total - City Council</b>	<b>0</b>	<b>(1,579)</b>	<b>(449)</b>	<b>(389)</b>	<b>(1,695)</b>	<b>0</b>
<b>Total Available Finance</b>	<b>0</b>	<b>(3,317)</b>	<b>(449)</b>	<b>(389)</b>	<b>(1,695)</b>	<b>0</b>

# Appendix C

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

Description	Level of risk	Amount at risk £	Risk £
Employee costs	Medium	29,144,100	87,432
Premises costs	Medium	8,646,810	51,881
Transport costs	Medium	1,244,900	7,469
Supplies and services	Medium	13,317,280	26,635
Grants and transfers	Medium	41,115,330	61,673
Grant income	Medium	49,788,620	74,683
Other income	High	44,936,490	674,047
Miscellaneous	Medium	683,600	1,367
Total one year operational risk			985,188

**Allowing three years cover on operational risk** **2,955,563**

General and specific risks	Amount (£)	Probability (%)	
Unforeseen events	2,000,000	25%	500,000
Legal action - counsel's fees	100,000	50%	50,000
Data Protection breach	300,000	25%	75,000
Capital project overruns	100,000	50%	50,000
Project failure / delays to savings realisation	1,000,000	50%	500,000
Cover for lower level of earmarked and specific reserves	1,000,000	100%	1,000,000

**General risks** **2,175,000**

**Prudent Minimum Balance** **5,130,563**

Target (PMB + 20%) **6,156,675**

**Operational cost risk profiles**

			Low	Medium	High
Employee costs	overspend		1.00%	2.00%	3.00%
29,144,100	probability		20.0%	15.0%	10.0%
	<b>amount at risk</b>		<b>58,288</b>	<b>87,432</b>	<b>87,432</b>
Premises costs	overspend		2.00%	4.00%	6.00%
8,646,810	probability		20.0%	15.0%	10.0%
	<b>amount at risk</b>		<b>34,587</b>	<b>51,881</b>	<b>51,881</b>
Transport costs	overspend		2.00%	4.00%	6.00%
1,244,900	probability		20.0%	15.0%	10.0%
	<b>amount at risk</b>		<b>4,980</b>	<b>7,469</b>	<b>7,469</b>
Supplies and services	overspend		1.00%	2.00%	3.00%
13,317,280	probability		15.0%	10.0%	5.0%
	<b>amount at risk</b>		<b>19,976</b>	<b>26,635</b>	<b>19,976</b>
Grants and transfers	overspend		1.00%	2.00%	3.00%
41,115,330	probability		10.0%	7.5%	5.0%
	<b>amount at risk</b>		<b>41,115</b>	<b>61,673</b>	<b>61,673</b>
Grant income	overspend		1.00%	2.00%	3.00%
49,788,620	probability		10.0%	7.5%	5.0%
	<b>amount at risk</b>		<b>49,789</b>	<b>74,683</b>	<b>74,683</b>
Other income	overspend		5.00%	10.00%	15.00%
44,936,490	probability		15.0%	12.5%	10.0%
	<b>amount at risk</b>		<b>337,024</b>	<b>561,706</b>	<b>674,047</b>
Other	overspend		1.00%	2.00%	3.00%
683,600	probability		15.0%	10.0%	5.0%
	<b>amount at risk</b>		<b>1,025</b>	<b>1,367</b>	<b>1,025</b>

# Appendix D

## Earmarked and Specific Funds

Fund	Balance at 1 April 2015	Planned contributions	Planned Commitments	Uncommitted balance to end of 2020/21
	£000	£000	£000	£000
City Deal Investment and Delivery Fund	-	(22,113)	-	(22,113)
A14 Mitigation Fund	-	(1,500)	-	(1,500)
Sharing Prosperity Fund	(493)	(325)	573	(245)
Climate Change Fund	(347)	-	347	-
Asset Replacement Fund (previously Repairs and Renewals)	(2,220)	(6,000)	5,970	(2,250)
Bereavement Services (Trading / Asset Replacement Fund)	(456)	(1,961)	1,960	(457)
Council Tax Earmarked for Growth	(432)	(2,906)	3,222	(116)
Efficiency Fund	(217)	-	128	(89)
Property Strategy Fund	(61)	-	61	-
<b>Total</b>	<b>(4,226)</b>	<b>(34,805)</b>	<b>12,261</b>	<b>(26,770)</b>

## **STRATEGY & RESOURCES COMMITTEE**

**12 October 2015**

**5.00 – 9.00pm**

Present: Robertson (Chair), Sinnott, Baigent, Benstead, Bick, Holt, Sarris, C. Smart and M. Smart

<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES COUNCILLOR OWERS)</b></p>
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### **TREASURY MANAGEMENT HALF YEARLY UPDATE REPORT 2015/16 TO 2018/19**

The Council had adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011).

The Code required as a minimum receipt by full Council of an Annual Treasury Management Strategy Statement which includes the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.

The half-year report had been prepared in accordance with CIPFA's Code of Practice on Treasury Management and covers the following:-

- The Council's capital expenditure (prudential indicators);
- A review of compliance with Treasury and Prudential Limits for 2015/16;
- A review of the Council's borrowing strategy for 2015/16;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2015/16; and;
- An update on interest rate forecasts following economic news in the first half of the 2015/16 financial year.

In line with the Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and to full Council.

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

**Accordingly, Council is recommended to:**

Agree the treasury management half yearly update report 2015/16 to 2018/19, which includes the Council's estimated Prudential and Treasury Indicators 2015/16 to 2018/19.



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

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

Relevant scrutiny committee: Strategy & Resources  
12/10/2015  
Scrutiny  
Committee

Wards affected: All Wards

## **TREASURY MANAGEMENT HALF YEARLY UPDATE REPORT 2015/16**

### **Key Decision**

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

- 1.1 The Council has adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011).
- 1.2 The Code requires as a minimum receipt by full Council of an Annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.
- 1.3 This half-year report has been prepared in accordance with CIPFA's Code of Practice on Treasury Management and covers the following:-
  - The Council's capital expenditure (prudential indicators);
  - A review of compliance with Treasury and Prudential Limits for 2015/16;
  - A review of the Council's borrowing strategy for 2015/16;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - A review of the Council's investment portfolio for 2015/16; and;
  - An update on interest rate forecasts following economic news in the first half of the 2015/16 financial year.
- 1.4 In line with the Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and to full Council.

## **2. Recommendations**

- 2.1 The Executive Councillor is asked to recommend this report to Council, which includes the Council's estimated Prudential and Treasury Indicators 2015/16 to 2018/19.

## **3. Background**

- 3.1 The Council is required to comply with the 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.
- 3.2 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, deposits, borrowing, interest rates and the economy.

## **4 The Council's Capital Expenditure and Financing 2015/16 to 2018/19**

- 4.1 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.
- 4.2 Details of 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 2015/16 and is in line with the agreed Capital Plan.

	2015/16 Probable Outturn £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
General Fund Capital Expenditure	35,712	1,437	1,540	836
HRA Capital Expenditure	43,560	30,949	13,082	9,213
<b>Total Capital Expenditure</b>	<b>79,272</b>	<b>32,386</b>	<b>14,622</b>	<b>10,049</b>
Resourced by:				
• Capital receipts	-9,946	-4,412	-1,053	-532
• Other contributions	-69,326	-27,974	-13,569	-9,517
<b>Total available resources for financing capital expenditure</b>	<b>-79,272</b>	<b>-32,386</b>	<b>-14,622</b>	<b>-10,049</b>
<b>Un-financed capital expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

- 5.1 The table below shows the Capital Financing Requirement (CFR), which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Capital Financing Requirement & Cumulative External Borrowing	2015/16 Probable Outturn £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
General Fund Capital Financing Requirement	1,264	1,264	1,264	1,264
HRA Capital Financing Requirement	214,748	214,748	214,748	214,748
<b>Total Capital Financing Requirement</b>	<b>216,012</b>	<b>216,012</b>	<b>216,012</b>	<b>216,012</b>
<b>Movement in the Capital Financing Requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Estimated External Gross				

<b>Capital Financing Requirement &amp; Cumulative External Borrowing</b>	<b>2015/16 Probable Outturn £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>	<b>2018/19 Estimate £'000</b>
Debt/Borrowing (Including HRA Reform)	213,572	213,572	213,572	213,572
Authorised Limit for External Debt	250,000	250,000	250,000	250,000
Operational Boundary for External Debt	216,012	216,012	216,012	216,012

- 5.2 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members.
- 5.3 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):-

	<b>Principal (£'000)</b>
Authorised Borrowing Limit (A) – Agreed by Council on 20 <sup>th</sup> October 2011	250,000
HRA Debt Limit (B)	230,839
2011/12 Borrowing (for HRA Self-Financing, C)	213,572
General Fund Headroom (A minus B)	19,161
HRA Headroom (B minus C)	17,267
2012/13 Borrowing	NIL
2013/14 Borrowing	NIL
2014/15 Borrowing	NIL
2015/16 Borrowing	NIL
<b>Total Current Headroom (A minus C)</b>	<b>36,428</b>

- 5.4 During this financial year the Council has operated within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The anticipated Prudential & Treasury indicators are shown in Appendix A.

## **6. Borrowing**

- 6.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1<sup>st</sup> April 2004.
- 6.2 At present the only debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA taken out in 2012 totalling £213,572,000.
- 6.3 The Council does not currently anticipate any new external borrowing for the period 2015/16 to 2018/19, inclusive.
- 6.4 The provision for the repayment of debt is known as the Minimum Revenue Provision (MRP). Regulations require the authority to determine annually a policy by which MRP will be determined.
- 6.5 As no borrowing is envisaged for the General Fund during 2015/16 to 2018/19, inclusive, no MRP allowances against budgets will be required and no change to the existing policy is proposed.
- 6.6 In the event that external borrowing is undertaken the Council is able as an eligible local authority to access funds at the PWLB Certainty Rate (a 0.20% discount on loans) until 31 October 2016.

## **7. Investment Portfolio**

- 7.1 The Council takes a cautious approach within its Treasury Management Strategy. As part of the Treasury Management outturn report agreed by Council on 23 July 2015 the following changes were made:-

- Included other UK Banks with a limit of £20m.

The detailed counterparty list with limits is shown within Appendix B. These limits have not been breached to date in 2015/16.

- 7.2 No changes to the counterparty list or limits are proposed as part of this half-year review.
- 7.3 Deposits at 31 August 2015 were £115,160,000. The estimated average rate of return for all deposits in 2015/16 is 1.16%, compared to an actual of 0.72% for 2014/15. The Council is on target to achieving its annual interest receipts budget of £1.167m

- 7.4 The table below shows the Council's predicted cash balances apportioned between short term (up to 3 months), medium term (up to 1 year) and long term (core cash, up to 5 years) deposits.

<b>SUMMARY DEPOSIT ANALYSIS</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>
Short Term	49,400	50,200	49,300	51,400
Medium Term	27,300	27,700	27,300	28,400
Long Term	39,500	40,100	39,500	41,100
<b>TOTAL PREDICTED CASH DEPOSITS:-</b>	<b>116,200*</b>	<b>118,000*</b>	<b>116,100*</b>	<b>120,900*</b>

**\*Based on current estimated net cash inflow trends**

The above table is represented graphically at Appendix C.

- 7.5 The Council's balances, both earmarked and un-earmarked, have generally increased during the last year mainly as a result of Housing Reform. This change in regulations means the Council does not pay a subsidy into the National Pool, allowing its rents to be kept.
- 7.6 An analysis of the sources of the Council's deposits is prepared from the audited balance sheet at the end of each financial year. The analysis for 31 March 2015 is shown at Appendix D.

## **8 . Interest Rates**

- 8.1 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 E, and confirms those currently predicted by the Bank of England's Monetary Policy Committee.

## **9. Implications**

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

The prudential and treasury indicators have been amended to take account of known financial activities. Interest receipts have increased due to the revisions to the Council's Counterparty list agreed by Council in the last 12 months.

### **(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.

## **12. Background Papers**

12.1 None were used in preparing this report.

## **13. Appendices**

- 13.1 Appendix A – Prudential and Treasury Management Indicators
- Appendix B – The Council’s current Counterparty list
- Appendix C – The Council’s cash balances represented graphically
- Appendix D – Sources of the Council’s Deposits
- Appendix E – Capita’s opinion on UK Forecast Interest Rates
- Appendix F – Glossary of Terms and Abbreviations

## **14. Inspection of Papers**

14.1 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

## PRUDENTIAL &amp; TREASURY MANAGEMENT INDICATORS

	Probable 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000
<b>PRUDENTIAL INDICATORS</b>				
<b>Capital expenditure</b>				
- General Fund	35,712	1,437	1,540	836
- HRA	43,560	30,949	13,082	9,213
<b>Total</b>	<b>79,272</b>	<b>32,386</b>	<b>14,622</b>	<b>10,049</b>
<b>Incremental impact of capital deposit decisions on:</b>				
Band D Council Tax (City element)	0.00	0.00	0.00	0.00
Average weekly housing rent	0.00	0.00	0.00	0.00
<b>Capital Financing Requirement (CFR) as at 31 March</b>				
- General Fund	1,264	1,264	1,264	1,264
- HRA	214,748	214,748	214,748	214,748
<b>Total</b>	<b>216,012</b>	<b>216,012</b>	<b>216,012</b>	<b>216,012</b>
<b>Change in the CFR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deposits at 31 March</b>	<b>116,200</b>	<b>118,000</b>	<b>116,100</b>	<b>120,900</b>
<b>External Gross Debt</b>	<b>213,572</b>	<b>213,572</b>	<b>213,572</b>	<b>213,572</b>
<b>Ratio of financing costs to net revenue stream</b>				
-General Fund	-2.76%	-6.50%	-7.86%	-7.88%
-HRA	17.45%	17.61%	13.52%	13.75%
<b>Total</b>	<b>14.69%</b>	<b>11.11%</b>	<b>5.66%</b>	<b>5.87%</b>

## PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Probable 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000
<b>TREASURY INDICATORS</b>				
<b>Authorised limit</b>				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
<b>Total</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
HRA Debt Limit	230,839	230,839	230,839	230,839
<b>Operational boundary</b>				
for borrowing	216,012	216,012	216,012	216,012
for other long term liabilities	0	0	0	0
<b>Total</b>	<b>216,012</b>	<b>216,012</b>	<b>216,012</b>	<b>216,012</b>
<b>Upper limit for total principal sums deposited for over 364 days &amp; up to 5 years</b>	40,000	40,000	40,000	40,000
<b>Upper limit for fixed &amp; variable interest rate exposure</b>				
Net interest on fixed rate borrowing/deposits	6,610	6,627	6,744	6,744
Net interest on variable rate borrowing/deposits	-23	-23	-23	-23
<b>Maturity structure of new fixed rate borrowing</b>		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

## Treasury Management 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.

Name	Council's Current Deposit Period	Category	Limit (£)
<b>Specified Investments:-</b>			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
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 Bank	20m
Lloyds TSB Bank Plc	Using Capita's Credit Criteria	UK 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
Other UK Banks	Using Capita's Credit Criteria	UK Banks	20m
Members of a Banking Group (BoS Group includes Lloyds, RBS Group includes NWB)	Using Capita's Credit Criteria	UK Banks and UK Nationalised Banks	30m
Deutsche Bank	Using Capita's Credit Criteria	Non-UK Bank	5m

Name	Council's Current Deposit Period	Category	Limit (£)
Svenska Handelsbanken	Using Capita's Credit Criteria	Non-UK Bank	5m
Money Market Funds	Liquid Rolling Balance	Financial Instrument	15m (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

**Other Specified Investments - UK Building Societies:-**

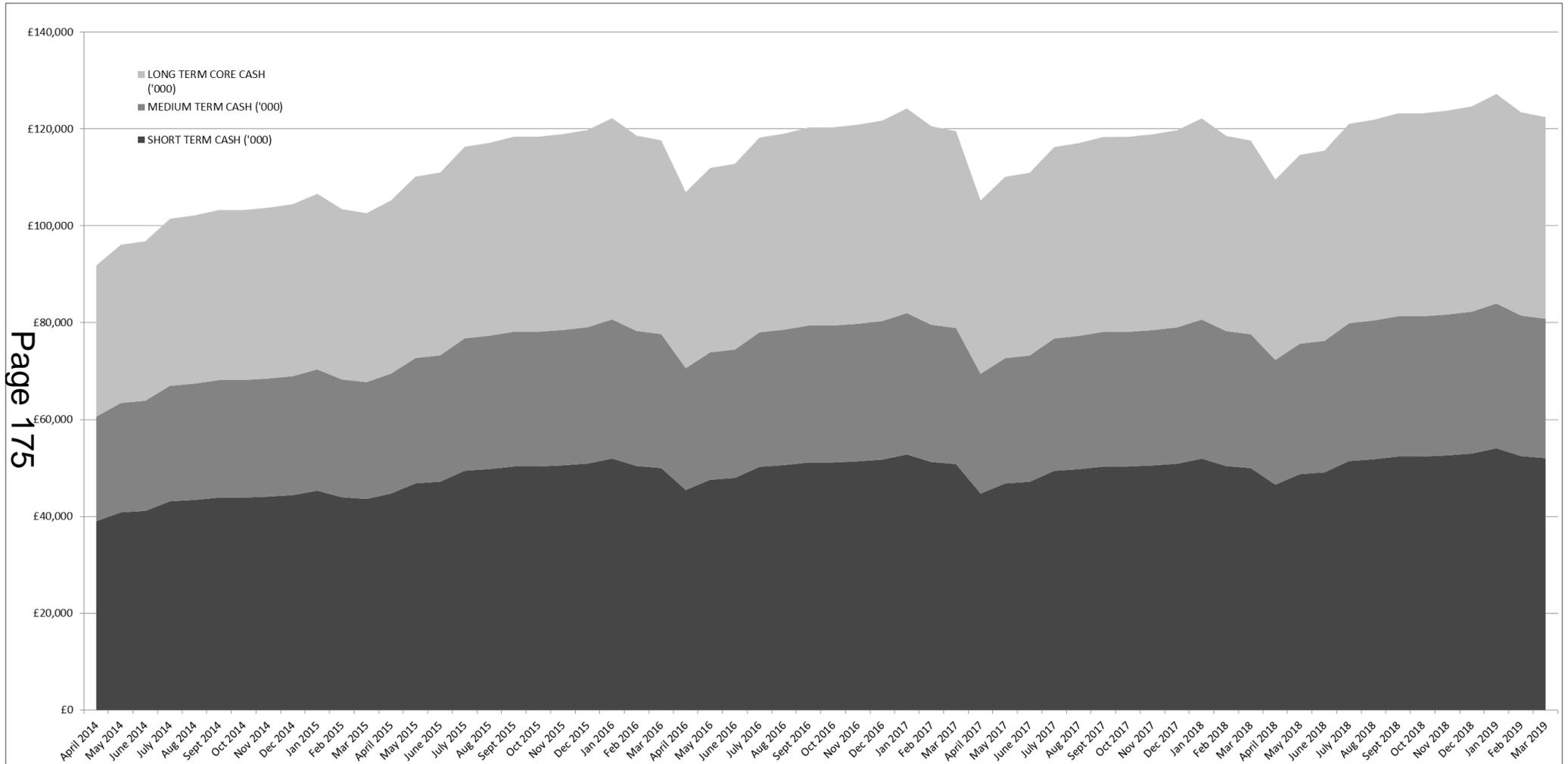
Name	Council's Current Deposit Period	Asset Value (£'m) – as at 23 <sup>rd</sup> April 2015	Limit (£)
Nationwide Building Society	1 month or in line with Capita's Credit Criteria, if longer	188,889	Assets greater than £100,000m - £20m
Yorkshire Building Society		41,779	
Coventry Building Society		30,890	Assets between £50,000m and £99,999m - £5m
Skipton Building Society		15,336	
Leeds Building Society		12,220	
Principality Building Society		7,108	Assets between £5,000m and £49,999m - £2m
West Bromwich Building Society		5,630	

**Non-Specified Investments:-**

Name	Council's Current Deposit Period	Category	Limit (£)
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 30m (in total)
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

Name	Council's Current Deposit Period	Category	Limit (£)
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

### Cash Balances Represented Graphically



**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.

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 £1.2m each year based on current deposit and interest rate levels.

At 1<sup>st</sup> April 2015, the Council had deposits of £109.020m. The table below provides a sources breakdown of the funds deposited at that date:-

<b>Funds Deposited as at 1 April 2015</b>	<b>£'000</b>	<b>£'000</b>
Working capital		17,062
General Fund:		
General Reserve	12,037	
Asset Renewal Reserves	14,363	
Other Earmarked Reserves	10,479	36,879
Housing Revenue Account (HRA):-		
General Reserve	14,865	
Asset Renewal Reserves	1,829	
Major Repairs Reserve	2,220	
Other Earmarked Reserves	2,342	
Capital Financing Requirement (Including HRA Reform)	-216,008	
PWLB Borrowing for HRA Reform	213,572	18,820
Capital:		
Capital Contributions Unapplied	14,176	
Usable Capital Receipts	22,083	36,259
<b>Total Deposited</b>		<b>109,020</b>

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 0.50% and Quantitative Easing (QE) at £375bn during 2015/16. Going-forward, the Council's treasury advisor, Capita, has provided the following interest rate forecasts issued on 11<sup>th</sup> August 2015:-

	Now	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%
<b>3 month LIBID</b>	0.46%	0.50%	0.60%	0.70%	0.80%	0.90%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	1.90%
<b>6 month LIBID</b>	0.63%	0.70%	0.80%	0.90%	1.00%	1.10%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.10%
<b>12 month LIBID</b>	0.94%	1.00%	1.10%	1.20%	1.30%	1.40%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.40%
<b>5yr PWLB rate</b>	2.19%	2.30%	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
<b>10yr PWLB rate</b>	2.77%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
<b>25yr PWLB rate</b>	3.31%	3.40%	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
<b>50yr PWLB rate</b>	3.17%	3.40%	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%

Capita's interest rate forecast is for the first increase in the bank rate to be in June 2016. With higher growth predictions and lower un-employment forecasts for the U.K, are the main reasons for this change in interest rates overall.

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
Eurocurrency	Currency deposited by national governments or corporations in banks outside of their home market
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
London Interbank Offered Rate (LIBOR)	A benchmark rate that some of the leading banks charge each other for short-term loans
London Interbank Bid Rate (LIBID)	The average interest rate which major London banks borrow Eurocurrency deposits from other banks
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
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

Term	Definition
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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**Present:** Councillors Sinnott (Chair), Ratcliffe (Vice-Chair), Austin, Benstead, Bird, O'Connell, Reid and Sarris

<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR CITY CENTRE &amp; PUBLIC PLACES - COUNCILLOR O'REILLY)</b></p>
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## **COUNCIL APPOINTMENTS TO THE CONSERVATORS OF THE RIVER CAM**

The three year term of office for the seven Conservators of the River Cam appointed by the City Council (four non-councillor appointments and three City Councillors) ends on 31 December 2015.

The maximum term of office is 3 x three-year terms with thereafter a break period of three years before a re-application can be made.

Applications were invited through an open recruitment process over a four week period running from Monday 10 August 2015 until 4 September 2015 to apply for the voluntary position as a Conservator of the River Cam.

Following this process, the Community Services Committee on 08 October 2015 recommended to the Executive Councillor four members of the public to be put forward as City Council appointments to the Conservators of the River Cam commencing 01 January 2016.

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

- i. Approve the nominations of three Councillor appointments for the Conservators of the River Cam commencing January 2016.
- ii. Appoint James Macnaghten, Malcolm Schofield, Amy-Alys Tillson and Lynden Golliday as non-councillor appointments to Conservators of the River Cam commencing 1 January 2016.

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To: Executive Councillor for City Centre and Public Places (and Deputy Leader): Councillor Carina O'Reilly

Report by: Democratic Services Manager

Relevant scrutiny committee: Community 8/10/2015 Services 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

**NON COUNCILLOR APPOINTMENTS TO THE CONSERVATORS OF THE RIVER CAM**  
**Not a Key Decision**

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**1. Executive summary**

- i. The three year term of office for the seven Conservators of the River Cam appointed by the City Council (four non-councillor appointments and three City Councillors) ends on 31 December 2015.
- ii. The maximum term of office is 3 x three-year terms with thereafter a break period of three years before a re-application can be made.
- iii. New appointments are required for the three year term commencing 1 January 2016.
- iv. Appointments are made by the Council on the recommendation of the Executive Councillor.

**2. Recommendations**

The Executive Councillor is recommended:

- i. To agree the recommendation of the non-councillor appointments applicants 1,2,3,4 (see appendix A) to the Conservators of the River Cam commencing 1 January 2016 for Council's approval.

- ii. To note that Council considers and approves the nominations of three City Councillor appointments to the Conservators of the River Cam commencing 1 January 2016.
- iii. To write, on behalf of the Council to those Conservators whose term will end thanking them for their valuable contribution.

### **3. Background**

- i. Applications were invited through an open recruitment process over a four week period running from Monday 10 August until 4 September to apply for the voluntary position as a Conservator of the River Cam.
- ii. The Executive Councillor for City Centre and Public Places agreed that some members of the Community Services Scrutiny Committee would form a selection panel to consider the applications received and recommend four for approval for the non-councillor City Council appointments.
- iii. The selection panel consisted of one Labour member and one Liberal Democratic Member, Councillors Sinnott and O'Connell.
- iv. Three of the four current conservators were eligible to reapply for a further three year term.
- v. In total twelve applications were received.
- vi. Selection was based purely on the written applications and considered alongside the following criteria which was advertised:
  - An interest in, and/or evidenced knowledge of, some aspect of river use.
  - Not a Councillor or officer of Cambridge City Council, Cambridgeshire County Council, other District or Parish Councils in Cambridgeshire. Not a relative or close friend of any current elected member or officer of the Council.
  - Live or work in the City of Cambridge.
  - Commitment to serve the community, attend meetings and a willingness to take required training and to offer requisite time to perform the duties to the satisfaction of the City Council.
  - Willingness to sign up to a Code of Conduct applicable to members of the public made Council appointees.
  - Must declare any party political membership on the application form.

- Will have disclosed to the Council during the application process any matter in his/her background, which, if it became public, might cause the council to reconsider the appointment.
  - Committed to a three-year term of office.
- vii. The Selection Panel met on the 17 September 2015 to consider the applications received. The 'skills, abilities, knowledge and experience section of each of the four recommended applicants can be found at appendix A.
- viii. Personal information on applicants has not been published. If the Scrutiny Committee wishes to discuss the specifics about individual applications it should do so in closed session.

#### **4. Implications**

(a) **Financial Implications:**

None

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

None

(c) **Equality and Poverty Implications**

No Equality Impact Assessment has been undertaken. Recommendation of appointments had been made following an open and transparent process based on an agreed person specification criteria first set by the Council in 2012.

(d) **Environmental Implications**

There are no environmental implications from this process.

(e) **Procurement:**

None

(f) **Consultation and communication**

The advertisement of the vacancy of the Conservator to the River Cam had been publicised through the media using the Council's Twitter and / or Facebook as appropriate.

To ensure community engagement approximately thirty community groups were contacted to enquire if the vacancy could be displayed and distributed through their organisations.

(g) **Community Safety**

There were no adverse community safety implications during the recruitment process.

## **5. Background papers**

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

Previous report to the Environment Scrutiny Committee – 26.06.12

<http://democracy.cambridge.gov.uk/documents/g712/Public%20reports%20pack%2026th-Jun-2012%2016.00%20Environment%20Scrutiny%20Committee.pdf?T=10>

Minutes of the Environment Scrutiny Committee – 26.06.12

<http://democracy.cambridge.gov.uk/documents/g712/Printed%20minutes%2026th-Jun-2012%2016.00%20Environment%20Scrutiny%20Committee.pdf?T=1>

## **6. Appendices**

- i. Appendix A: Application forms received ('skills, abilities, knowledge and experience' section only)
- ii. Appendix B: (Confidential Application forms received).

## **7. Inspection of papers**

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

Author's Name: Claire Tunnicliffe

Author's Phone Number: 01223 - 457013

Author's Email: [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk)

## LICENSING COMMITTEE

12 October 2015  
10.00 - 10.15 am

**Present:** Councillors Benstead (Chair), Bird (Vice-Chair), Austin, Bick, Gawthrope, McPherson, Meftah, O'Connell, O'Reilly, Pippas, Ratcliffe and Sinnott

### FOR ADOPTION BY THE COUNCIL

#### **15/24/LIC: Review of Statement of Gambling Principles (Gambling Act 2005)**

The Committee received a report from the Environmental Health Manager, advising that Cambridge City Council, as the Licensing Authority, is required to discharge its responsibilities under the Gambling Act 2005 with a view to promoting the three licensing objectives, namely;

- i. Preventing Gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- ii. Ensuring that gambling is conducted in a fair and open way; and
- iii. Protecting children and other vulnerable persons from being harmed or exploited by gambling.

The Gambling Act 2005 was designed to be a light touch piece of legislation covering a number of "licensable activities". Such activities are defined within the Act. All councils are required to re-write their policies and have them in place for January 2016.

The Committee asked the following questions in response to the report:

- i. Expressed surprise at the low response rates to the consultation and questioned how much weight should be given to a single consultees comments.
- ii. Suggested that a No Casino's policy would be welcomed.
- iii. Questioned how many premises in Cambridge had Licences for licensable gambling activities.

In response to the Committee's questions, the Environmental Health Manager, confirmed the following:

- i. The gambling related criteria detailed on page eleven of the report had been taken from statutory guidance. Whilst, there was no

specific criterion regarding addiction, this would be included in the mental health criteria.

- ii. Stated that the low consultation response rate from the extensive consultee list was to be expected as this was not an area that caused concerns in Cambridge.
- iii. Confirmed that an on-line gambling establishment with a Cambridge address would need a Licence.
- iv. Confirmed that Cambridge currently had: 18 Bookmakers, 2 Gaming Centres and 1 Family Entertainment Centre.

Councillor Benstead stated that a 'No Casinos' policy could not be made at this Committee and would require extensive consultation. This would be a decision for the future. He welcomed the opportunity to develop detailed Local Area Profiles as this would provide the evidence the Committee needed to reject unsuitable applications. The Committee currently lacked evidence regarding young or vulnerable members of the community.

**Resolved** unanimously to recommend to Council to:

- i. To endorse the post-consultation draft Statement of Gambling Principles shown in Appendix A and recommend to full Council that the policy is approved for publication on 21 December 2015 for it to come in to effect on 18 January 2016.

## CAMBRIDGE CITY COUNCIL

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REPORT OF: Victoria Jameson  
Assistant Licensing Officer

TO: Licensing Committee 12 October 2015

WARDS: All

### **REVIEW OF STATEMENT OF GAMBLING PRINCIPLES (GAMBLING ACT 2005)**

---

#### **1 INTRODUCTION**

1.1 Cambridge City Council, as the Licensing Authority, is required to discharge its responsibilities under the Gambling Act 2005 with a view to promoting the three licensing objectives, namely;

- Preventing Gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way; and;
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

1.2 The Gambling Act 2005 was designed to be a light touch legislation covering a number of “licensable activities”. Such activities are defined within the Act.

1.3 All councils are required to re-write their policies and have them in place for January 2016.

#### **2. RECOMMENDATIONS**

2.1 Members are recommended:

To endorse the post-consultation draft Statement of Gambling Principles shown in Appendix A and recommend to full Council that the policy is approved for publication on 21 December 2015 for it to come in to effect on 18 January 2016.

### **3. BACKGROUND**

- 3.1 The Gambling Act 2005 came fully in to effect on 1 September 2007. It created a new system of licensing and regulation for commercial gambling in this country. The Act gives Licensing Authorities a number of important regulatory functions in relation to gambling. The main functions are to:
- license premises for gambling activities;
  - consider notices given for the temporary use of premises for gambling;
  - grant permits for gaming and gaming machines in clubs and miners' welfare institutes;
  - regulate gaming and gaming machines in alcohol licensed premises;
  - grant permits to family entertainment centres for the use of certain lower stake gaming machines;
  - grant permits for prize gaming;
  - consider occasional use notices for betting at tracks; and
  - register small societies' lotteries
- 3.2 In addition, section 349 of the Gambling Act 2005 requires that the Council prepares and publishes a Statement of Principles that it proposes to apply in exercising its function under the Act, before each successive period of three years.
- 3.3 The Statement of Principles must be formulated in accordance with, and reflect the guidance issued by, the Gambling Commission and Government Codes of Practice. The principles essentially inform the processes that the Council would normally follow in conducting its duties as the Licensing Authority.
- 3.4 During the spring and summer of 2015 The Gambling Commission has updated the advice for Local Authorities on how to prepare the Statement of Gambling Principles. It has changed its Licence Conditions and Codes of Practice (LCCP) for operators which will need to be reflected in the Council's Statement of Principles in due course, once further guidance on the new mandatory requirements is available.
- 3.5 The changes will allow the Council to create a Statement which is more reflective of local circumstances and issues than is the case now and under the new provisions the Council will be able to create a Local Area Profile to map the risks in Cambridge City of gambling-related harm according to a range of criteria. This could include:

- Mental health prevalence
  - Significant ethnic groups
  - Significant life stage groups (such as children or emerging adults)
  - Financial/ debt problems
  - Housing instability
  - Alcohol consumption
  - Employment and income
- 3.6 The London Borough of Westminster and Manchester City Council have jointly commissioned research that will be made available for all Local Authorities to assist them in producing detailed Local Area Profiles of their communities and local needs.
- 3.7 Operators that apply for licences will be required to produce a risk assessment that is specific to Cambridge City Council's Local Area Profile and Statement of Gambling Principles. The risk assessment should address how the operator will mitigate any risks outlined. Furthermore, operators will be required to demonstrate in their applications how they will prevent underage gambling and also their attitude to social responsibility.
- 3.8 Given the extensive, detailed research that would be required to produce and consult on a Local Area Profile, it would not be possible to undertake this and produce the completed document in time to meet the January deadline for the Council's Statement of Principles.
- 3.9 Therefore officers have undertaken a 'light touch' review of the existing statement for approval, in order to ensure that we are legally compliant, with a view to a far more in depth review and new Statement being produced during 2016.
- 3.10 The Council last published its Statement of Principles on 21 December 2012 and it is a requirement of the Act that the revised Policy must be approved at a full meeting of the Council. Such approval cannot be granted until consultation has been undertaken with a range of statutory bodies defined by the Act. Additionally the authority is empowered to consult with other organisations as is deemed appropriate.
- 3.11 The draft revised statement, like its predecessor, is based on the nationally accepted template produced by Local Authorities Co-ordinators of Regulatory Services (LACORS).
- 3.12 A 12 week consultation process took place between 3<sup>rd</sup> July 2015 and 25<sup>th</sup> September 2015 1 response was received. The response stated that "Gambling draws in the most vulnerable of our society and our

Council should be doing all it can to protect them. This means stopping and preventing all further development of gambling establishments. You should be doing everything in your power to achieve this". The Council will be addressing this in the further review, local area profiling and risk assessment work in 2016. The draft Statement of Gambling Principles is attached to the report as Appendix A.

- 3.13 The final Statement must be published no later than 21 December 2015 so that it comes in to effect no later than 18 January 2016 in order for the Council's statutory duty to be fulfilled.

#### **4. OPTIONS**

- 4.1 The Committee may resolve to:

4.1.1 To endorse the post-consultation draft Statement of Gambling Principles shown in Appendix A and recommend to full Council that the policy is approved for publication on 21 December 2015 for it to come in to effect on 18 January 2016; or

4.1.2 Amend the draft Statement of Principles and recommend to full Council that the policy is approved for publication on 21 December 2015 for it to come in to effect on 18 January 2016.

#### **5. CONSULTATIONS**

- 5.1 Consultation on the draft policy took place between 3<sup>rd</sup> July 2015 and 25<sup>th</sup> September 2015 1 response has been received.

#### **6. CONCLUSIONS**

- 6.1 Cambridge City Council has a duty to determine and publish a Statement of Principles no later than 21 December 2015. The policy must therefore be referred to full Council for adoption to fulfil the Council's statutory duty.

#### **7. IMPLICATIONS**

(a) **Financial Implications**

The review of the Statement of Principles is a statutory function, covered by the fees paid by Licence and permit holders.

(b) **Staffing Implications**

Existing staff resources will apply the policy once finalised.

(c) **Equality and Poverty Implications**

This is a statutory policy and it promotes equal opportunities. The policy does not prohibit any person from making an application or objecting to an application where they have a statutory right to do so.

An Equalities Impact Assessment has been completed and is attached as Appendix B.

(d) **Environmental Implications**

There are no apparent environmental implications that result from the draft policy.

(e) **Community Safety**

The Statement of Principles will ensure that in carrying out its statutory duties, the Licensing Authority will promote the licensing objectives:

- (i) preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- (ii) ensuring that gambling is conducted in a fair and open way; and
- (iii) protecting children and other vulnerable persons from being harmed or exploited by gambling.

## **APPENDICES**

### Appendix A

Draft Statement of Principles.

### Appendix B

Equalities Impact Assessment.

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

- Gambling Act 2005
- Guidance Published by the Gambling Commission in May 2015
- Existing Statement of Gambling Principles published on 21 December 2012.

The author and contact officer for queries on the report is Vickie Jameson on extension 7863.

Date originated: 24 September 2015

Date of last revision: 24 September 2015

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# CAMBRIDGE CITY COUNCIL



## **GAMBLING ACT 2005**

### **Statement of Principles**

**January 2016 – January 2019**

Published: 21 December 2015

Effective from: 18 January 2016

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## Introduction

Under the Gambling Act 2005 ("the 2005 Act") a regime for regulating gambling and betting was introduced throughout the United Kingdom from 1 September 2007. Apart from the National Lottery and spread betting, gambling and betting is regulated by the Gambling Commission whose duties include licensing the operators and individuals involved in the provision of gambling and betting.

Cambridge City Council Licensing Authority recognises the potential impact of gambling and in adopting this policy; the Licensing Authority will seek to work with communities and partners. It will address the concerns of the public to maintain safe and high quality environments making Cambridge an even better place to live, work and visit. It wishes to work together with premises licence operators/ holders to assist the thriving and growing local economy whilst seeking to protect vulnerable persons from harm.

Cambridge City Council ("the Council"), along with other licensing authorities, has a duty under the 2005 Act to licence premises where gambling is taking place. The Council is also required to licence certain other activities (such as registering small society lotteries). This document sets out how Cambridge City Council intends to carry out these duties.

Licensing authorities are required by Section 349 of the 2005 Act to publish a statement of principles that they propose to apply when exercising their functions in accordance with the legislation. This statement must be published every 3 years and this is the second revision. If any part of the document is amended, further consultation and re-publication is required.

The 2005 Act requires that the following parties are consulted by licensing authorities:

- The Chief Officer of Police
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area; and
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Gambling Act 2005.

A full list of those persons/ organisations consulted is detailed at Appendix B.

**The latest draft of this statement of principles contains the minimum of amendments and no changes to the intent or direction of the policy. In producing the final statement, the Council declares that it has regard to the Licensing objectives of the Gambling Act 2005, the guidance issued by the Gambling Commission and any response from those consulted on this statement.**

This statement of principles was approved at a meeting of the Full Council on (date to be inserted). It was then published via Cambridge City Council's website on (date to be inserted).

It should be noted that this policy statement does not override any right of any person to make an application, make representation about an application or apply for review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

The full list of comments made and the consideration by the Council of these comments is available by request to the Licensing & Enforcement Team, Refuse & Environment Department.

Should you have any comments in regard to this statement of principles, please send them to:

The Licensing & Enforcement Manager

Environmental Health Service

Cambridge City Council

PO Box 700

Cambridge, CB1 0JH

Email: [licensing@cambridge.gov.uk](mailto:licensing@cambridge.gov.uk)

## PART A

### **1. The Licensing Objectives**

In exercising most of its functions under the Gambling Act 2005, the Council as the Licensing Authority must have regard to the Licensing Objectives as set out in Section 1 of the 2005 Act. The objectives are:

#### **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.**

The Gambling Commission will be taking a lead role in preventing gambling from being a source of crime. Cambridge City Council is aware that it falls to the Gambling Commission to ensure the suitability of an operator before issuing an operator licence.

However, this Licensing Authority will bring to the attention of the Gambling Commission any information that is brought to its attention during the course of processing a premises licence application or at any other time, which could question the appropriateness of an applicant.

Where an area has known high levels of crime, this Licensing Authority will consider carefully whether gambling premises are suitable to be located there. If there are concerns over a premises location, in order to prevent that premises from becoming a source of crime, certain conditions could be considered by the Council to be attached to the licence.

#### **Ensuring that gambling is conducted in a fair and open way.**

The Gambling Commission is concerned to ensure that not only is gambling fair in the way it is played, but also that the rules are transparent to players and they know what to expect. It achieves this by working to ensure that: -

- Operating and personal licences are issued only to those who are suitable to offer gambling facilities or work in the industry;
- Easily understandable information is made available by operators to players about, for example, the rules of the game, the probability of losing or winning, and the terms and conditions on which business is conducted;
- The rules are fair;
- Advertising is not misleading;
- The results of events and competitions on which commercial gambling takes place are made public;
- Machines, equipment and software used to produce the outcome of games meet standards set by the Gambling Commission and operate as advertised.

The Gambling Commission would not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way. This is because they will either be concerned with the management of the gambling business (and therefore subject to the operating licence), or the suitability and actions of an individual (and therefore subject to a personal licence). These permissions both fall within the remit of the Gambling Commission.

### **Protecting children and other vulnerable persons from being harmed or exploited by gambling.**

The Gambling Act 2005 is intended to ensure that children and vulnerable persons should not be allowed to gamble and should be prohibited from entering those gambling premises which are adult-only environments.

This licensing objective refers to protecting children from being 'harmed or exploited by gambling'; meaning that they should be prevented from taking part in gambling and for there to be restrictions on advertising so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children, with the exception of Category D gaming machines.

It does not however seek to disallow particular groups of adults from gambling in the same way that it does children. The Gambling Commission has not sought to define 'vulnerable persons', but it does for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to mental health needs, learning disability or substance misuse relating to alcohol or drugs.

This Licensing Authority will consider this licensing objective on a case by case basis. In order to protect vulnerable persons, this Licensing Authority will consider whether any special considerations apply to a particular premises. These considerations could include self-barring schemes or providing information in the form of leaflets or helpline information from relevant organisations.

The Gambling Commission has stated (5.2) *"The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling"*

Additional statements on new mandatory requirements to follow:-

Social Responsibilities/Assessing Local Risk  
Comes into force on 6 April 2016  
*Wording to follow from Gambling Commission*

Social Responsibilities/Sharing Local Risk Assessments  
Comes into force on 6 April 2016  
*Wording to follow from Gambling Commission*

The Council will be looking at the Local Area Profile and Assessing Local Risk in a further review of the Statement of Principles during 2016.

This licensing authority is aware that, as per section 153, in making decisions about premises licences and temporary use notices it should “aim to permit” the use of premises for gambling in so far as it is satisfied the application is *“in accordance with any code of practice issued by the Gambling Commission in accordance with any relevant guidance issued by the Gambling Commission reasonably consistent with the licensing objectives and in accordance with the authority’s statement of licensing principles”*.

The Council notes the Gambling Commission’s Guidance (5.28) to local authorities that *“In deciding to reject an application, a licensing authority should rely on reasons that demonstrate that the licensing objectives are not being, or are unlikely to be, met. Licensing authorities should be aware that other considerations such as moral or ethical objections to gambling are not a valid reason to reject applications for premises licences. This is because such objections do not relate to the Licensing Objectives. An Authority’s decision cannot be based on dislike of gambling or a general notion that it is undesirable to allow gambling premises in an area (with the exception of the casino resolution powers)”*.

## **2. Cambridge City**

Cambridge City Council is situated in Cambridgeshire, which contains a total of 5 District Councils. Cambridge combines a rich history with the vibrancy and prosperity of outstanding educational institutions and modern businesses. It is an inspiring and attractive place in which to live and work. It is at the heart of a buoyant sub-region which is an area designated for major growth in employment and housing.

The City of Cambridge is in the east of England, 50 miles north of London. A beautiful place to live and work, Cambridge is an historic University City and market town with high quality architecture and attractive open spaces. It is also a city of national importance, being a world leader in higher education and many 21st century industries – information technology, telecommunications and commercial research, particularly the biotechnology sector.

The population of Cambridge is over 125,000. This is forecast to increase to 151,800 in 2031 as a result of new developments

At present 23% of the City’s population are aged 15–24. A significant characteristic of the City’s population is its large and diverse student population, totaling almost 27,000 (including post graduates). This is swollen further by language students attending “summer schools”, which adds to a high “churn” in our population. The proportion of older people in the City has not grown in the past 10 years.

The daytime population of the City increases significantly, with high levels of commuting into the City and very large numbers of tourists and visitors. Last year nearly 4 million people visited the City. The high day time population places pressure on the City's infrastructure and heavy demands on basic Council services such as street cleaning.

Cambridge has one of the highest qualified work forces in the East of England with 65.8% of people having NVQ4 qualifications and above, and relatively speaking, the City is affluent.

This area is shown in the map at Appendix A.

### 3. Authorised Activities

'Gambling' is defined in the 2005 Act as either gaming, betting or taking part in a lottery.

**Gaming** - means playing a game of chance for a prize

**Betting** – means making or accepting a bet on the outcome of a race, competition or any other event, the likelihood of anything occurring or not occurring, or whether anything is true or not true.

**Lottery** – is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process, which relies wholly on chance.

**Private Gaming** – in private dwellings and on domestic occasions is exempt from licensing or registration providing that no charge is made for participating; only equal chance gaming takes place; and it does not occur in a place to which the public have access.

**Domestic Betting** – between inhabitants of the same premises or between employees of the same employer is also exempt.

**Non-commercial gaming and betting** – where no part of the proceeds are for private gain may be subject to certain exemptions.

### 4. Licences under the Gambling Act 2005

The 2005 Act provides for 3 categories of licence as detailed below:

- Operating Licences
- Personal Licence
- Premises Licences

The Council is responsible for the issue of Premises Licences. The Gambling Commission is responsible for the issue of Operating and Personal Licences.

## **5. The Gambling Commission**

The Gambling Commission regulates gambling in the public interest. It does so by keeping crime out of gambling, by ensuring that gambling is conducted in a fair and open way and by protecting children and vulnerable people. The Commission provides independent advice to the Government about the manner in which gambling is carried out, the effects of gambling and the regulation of gambling generally.

The Commission has issued guidance in accordance with Section 25 of the 2005 Act about the manner in which Licensing Authorities exercise their functions under the Act and, in particular, the principles to be applied.

The Commission will also issue Codes of Practice under Section 24 about the way in which facilities for gambling is provided, which may also include provisions about the advertising of gambling facilities.

The Gambling Commission can be contacted at:

Gambling Commission

Victoria Square House

Victoria Square

Birmingham

B2 4BP

Website [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

Email [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk)

## **6. Responsible Authorities**

The licensing authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm.

The principles are:

- The need for the body to be responsible for an area covering the whole of the licensing authority's area; and
- The need for the body to be answerable to democratically elected persons,

rather than any particular vested interest group.

In accordance with the suggestion in the Gambling Commission's Guidance for local authorities, this licensing authority designates the Local safeguarding Children's Board for this purpose.

The contact details of all the Responsible Authorities under the Gambling Act 2005 are set out in Appendix C.

## 7. Interested Parties

Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

*“For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the application is made, the person –*

- a) Lives sufficiently close to the premises to be likely affected by the authorized activities, and/ or*
- b) Has business interests that might be affected by the authorized activities, or*
- c) Represents persons who satisfy paragraph a) or b)”.*

The licensing authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether person is an interested party. The principles are:

- Each case will be decided upon its merits. The authority will not apply a rigid rule to its decision making.
- It will have regard to the examples of considerations provided in the Gambling Commissions Guidance to licensing authorities at 8.11 to 8.19
- It will also consider the Gambling Commission's Guidance that “business interests” should be given the widest possible interpretation and where appropriate include organisations such as, but not limited to, partnerships, charities, faith groups and medical practices.

Interested parties can be people who are democratically elected such as Councillors and MP's. Where appropriate, this will include county, parish and town Councillors. Other than these persons, authorities should require written evidence that a person 'represents' someone who either lives sufficiently close to the premises likely to be affected by the authorized activities and/ or business interests that might be affected by the authorized activities. A letter from one of these persons requesting the representation is sufficient.

Further advice on how licensing authorities can determine whether someone is an

interested party is detailed below:

- i) The approach taken by licensing authorities in determining who is an interested party is also a function that is dealt with in the Licensing Statement of Policy.
- ii) The factors that should be taken into account when determining what 'sufficiently close to the premises' means (in each case) might include:
  - The size of the premises
  - The nature of the premises
  - The distance of the premises from the location of the person making the representation
  - The potential impact of the premises (number of customers, routes likely to be taken by those visiting the establishment); and
  - The circumstances/ interests of the complainant which may be relevant to the distance from the premises.

## **8. Exchange of Information**

Licensing authorities are required to include in their statements, the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission. It is also required to include the principles it will apply in exercising its functions under section 350 of the Act with respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

The principle that the Council applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the Data Protection Act 1998 will not be contravened. The Council will also have regard to any guidance issued by the Gambling Commission on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

Details of applications and representations which are referred to a Licensing Sub-Committee for determination will be detailed in the reports that are made publicly available in accordance with the Local Government Act 1972 and the Freedom of Information Act 2000. Personal details of people making representations will be disclosed to applicants and only be withheld from publication on the grounds of personal safety where the Licensing Authority is asked to do so.

Should any protocols be established as regards information exchange with other bodies then they will be made available. The Council has various policies relating to the sharing of information which will be considered when deciding what information to share and the process of doing so.

## 9. Enforcement

Licensing authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and under the powers of Section 346 of the Act to instigate criminal proceedings in respect of offences specified.

This Licensing Authority's principles are that it will be guided by the Gambling Commission's Guidance to licensing authorities and will endeavor to be:

- **Proportionate** – regulators should only intervene when necessary. Remedies should be appropriate to the risk posed and costs identified and minimized;
- **Accountable** – regulators must be able to justify decisions and be subject to public scrutiny;
- **Consistent** – rules and standards must be coherent and implemented fairly;
- **Transparent** – regulators should be open and keep regulations simple and user friendly; and
- **Targeted** – regulation should be focused on the problem and minimize side effects.

In accordance with the Gambling Commission's Guidance, the Council will endeavor to avoid duplication with other regulatory regimes so far as possible.

Cambridge City Council has adopted and implemented a risk-based inspection programme based on:

- The Licensing Objectives
- Relevant Codes of Practice
- Guidance issued by the Gambling Commission (in particular Part 36)
- The principles set out in this Statement of Licensing Policy

The main enforcement and compliance role for the Council in terms of the Gambling Act 2005 is to ensure compliance with the premises licences and other permissions which it authorizes. The Gambling Commission is the enforcement body for the operating and personal licences. It is also worth noting that concerns about manufacture, supply or repair of gaming machines will not be dealt with by the licensing authority but will be notified to the Gambling Commission.

The Council shall have regard to the principles of "Better Regulation" as outlined by the Department for Business Innovation and Skills.

Bearing in mind the principle of transparency, the Council's enforcement/ compliance protocols and written agreements are available upon request.

The Corporate Enforcement Policy can be found online here:

<https://www.cambridge.gov.uk/enforcement-policy>

## **10. Licensing Authority Functions**

Licensing Authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences
- Issue Provisional Statements
- Regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/ or Club Machine Permits
- Issue Club Machine Permits to Commercial Clubs
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines
- Issue Licensed Premises Gaming Machine Permits for premises licensed to sell/ supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines
- Register small society lotteries below prescribed thresholds
- Issue Prize Gaming Permits
- Receive and endorse Temporary Use Notices
- Receive Occasional Use Notices
- Provide information to the Gambling Commission regarding details of licences issued
- Maintain registers of the permits and licences that are issued under these functions

It should be noted that local licensing authorities will not be involved in licensing remote gambling at all, which is regulated by the Gambling Commission via operating licenses.

## **11. Public Register**

Section 156 of the Act requires licensing authorities to maintain a register of the premises licences that it has issued. The register must be made available, at any reasonable time, to the public who may request copies of the entries. The Council achieves this requirement through the use of an online register which is accessible via the Council's website.

## PART B PREMISES LICENCES

### **1. General Principles**

Premises licences are subject to the requirements set out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions which are detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others where it is believed to be necessary.

The Council is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it is:

- In accordance with any relevant code of practice issued by the Gambling Commission;
- In accordance with any relevant guidance issued by the Gambling Commission;
- Reasonably consistent with the licensing objectives; and
- In accordance with the authority's statement of licensing principles

It is appreciated that as per the Gambling Commission's Guidance to Licensing Authorities "moral objections to are not a valid reason to reject applications for premises licences" (except as regards as any 'no casino resolution') and also unmet demand is not a criterion for a licensing authority.

Premises are defined in the Act as including "any place". Section 152 therefore prevents more than one premises licence applying to any place. However, a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises.

This approach has been taken to allow large, multiple unit premises such as pleasure parks, piers, tracks or shopping malls to obtain discrete premises licences where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-divisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

The Gambling Commission states in the fourth edition of its Guidance to Licensing Authorities that "*In most cases the expectation is that a single building/ plot will be the subject of an application for a licence, for example 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably.*"

*Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises”.*

The Council takes particular note of the Gambling Commission’s Guidance to Licensing Authorities which states that “*Licensing Authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following:*

- *The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from taking part in gambling but also preventing them from being in close proximity to gambling. Therefore premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating.*
- *Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not ‘drift’ into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.*
- *Customers should be able to participate in the activity named on the premises licence”*

The Guidance also gives a list of factors which the licensing authority should be aware of, which may include:

- Do the premises have a separate registration for business rates?
- Is the premises neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be access from any other gambling premises?

The Council will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

## **2. Access Provisions**

The Gambling Commissions relevant access provisions for each premises type are

below:

#### Casinos

- The principal access entrance to the premises must be from a street (as defined at 7.23 of the guidance)
- No entrance to a casino must be from premises that are used wholly or mainly by children and/ or young persons
- No customer must be able to enter a casino directly from any other premises which hold a gambling premises licence

#### Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensing gambling premises

#### Betting Shops

- Access must be from a street (as per paragraph 7.23 of the guidance) or from another premises with a betting premises licence
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café, the whole area would have to be licensed

#### Tracks

- No customer should be able to access the premises from:
  - i) a casino
  - ii) an adult gaming centre

#### Bingo Premises

- No customer must be able to access the premises directly from:
  - i) a casino
  - ii) an adult gaming centre
  - iii) a betting premises, other than a track

#### Family Entertainment Centre

- No customer must be able to access the premises directly from:
  - i) a casino
  - ii) an adult gaming centre
  - iii) a betting premises, other than a track

Part 7 of the Gambling Commission's Guidance to Licensing Authorities contains further information on this issue, which the Council will also take into account in its decision making.

The guidance states that a license to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use.

If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.

In deciding whether a premises licence can be granted where there is outstanding construction or alteration works at the premises, the Council will determine applications on their merits, applying a two stage consideration process:

1. First, whether the premises ought to be permitted to be used for gambling
2. Second, whether the appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place

Applicants should note that the Council is entitled to decide that it is appropriate to grant a licence subject to conditions, but it not obliged to grant such a licence.

More detailed examples of the circumstances in which such a licence may be granted can be found at paragraphs 7.58-7.67 of the Guidance.

### **3. Location**

The Council is aware that demand issues cannot be considered with regard to the location of the premises but that considerations in terms of the licensing objectives are relevant to its decision making. As per the guidance, the Council will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.

Should any specific policy be decided upon as regards areas where gambling premises should not be located, this statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its own merits, with the onus upon the applicant showing how potential concerns can be overcome.

### **4. Planning**

The Gambling Commission Guidance to Licensing Authorities states "*In determining applications the licensing authority has a duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, i.e. those not related to gambling and the licensing objectives. One example of an irrelevant*

*matter would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal. This authority will not take into account irrelevant matters as per the above guidance”.*

In addition the Council notes the following exception from the guidance: “*When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have or comply with the necessary planning or building consents. Those matters should be dealt with under relevant planning control and building regulation powers, and not form part of the consideration for the premises licence. Section 210 of the 2005 Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally, the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building control”.*

## **5. Duplication with other Regulatory regimes**

The Council will seek to avoid any duplication with other statutory/ regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval in its consideration of it. It will though, listen to and consider carefully any concerns about conditions, which are not able to be met by licensees due to planning restrictions, should such a situation arise.

When dealing with a premises licence application for finished building, the Council will not take into account whether those buildings have to comply with the necessary planning or buildings consents. Fire or health and safety risks will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the premises licence.

## **6. Licensing Objectives**

Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, the Council has considered the Gambling Commission’s Guidance to Licensing Authorities:

- **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.**

The Gambling Commission takes a leading role in preventing gambling from being a source of crime. The Gambling Commission’s guidance does

however envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, where an area has known high levels of organised crime the Council will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. The Council is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behavior was to those who could see it, so as to make that distinction.

- **Ensuring that gambling is conducted in a fair and open way**

The Gambling Commission has stated that it generally does not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way, as this will be addressed via operating and personal licences. There is however, more of a role with regard to tracks.

- **Protecting children and other vulnerable persons from being harmed or exploited by gambling**

The Gambling Commission's Guidance to Licensing Authorities states that this objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at, or are, particularly attractive to children). The Council will therefore consider, as suggested in the guidance, whether specific measures are required at particular premises with regard to this licensing objective. Appropriate measures may include supervision of entrances/ machines, segregation of areas etc.

The Council is also aware of the Gambling Commission Codes of Practice, which the Gambling Commission issues as regards this licensing objective, in relation to specific premises.

With regard to the term 'vulnerable persons' it is noted that the Gambling Commission does not seek to offer a definition but states that "*it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs*". The Council will consider this licensing objective on a case by case basis.

## **7. Licence Conditions**

Any conditions attached to licences will be proportionate and will be:

- Relevant to the need to make the proposed building suitable as a gambling facility;
- Directly related to the premises and the type of licence applied for;
- Fairly and reasonable related to the scale and type of premises; and
- Reasonable in all other aspects

Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures this licensing authority will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. The Council will also expect the licence applicant to offer his/ her own suggestions as to the way in which the licensing objectives can be met effectively.

The Council will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Gambling Commission's Guidance.

The Council will also ensure that where category C or above machines are on offer in premises to which children are admitted:

- All such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- Only adults are admitted to the area where these machines are located;
- Access to the area where the machines are located is supervised;
- The area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- At the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18

These considerations will apply to premises including buildings where multiple premises licences are applicable.

The Council is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, the Council will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

It is noted that there are conditions that the licensing authority cannot attach to premises licences, which are:

- Any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- Conditions relating to gaming machine categories, numbers or method of operation;
- Conditions which provide that membership of a club or body be required. The Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated; and
- Conditions in relation to stakes, fees, winning or prizes.

## **8. Door Supervisors**

The Gambling Commission advises in its guidance that if a licensing authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence to this effect.

Where it is decided that supervision of entrances/ machines is appropriate for particular cases, a consideration of whether these need to be SIA licenced or not will be necessary. It will not be automatically assumed that they need to be licensed, as the statutory requirements for different types of premises vary.

## **9. Adult Gaming Centres**

The Council will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

The Council may consider measures to meet the licensing objectives such as:

- Proof of age schemes
- CCTV
- Supervision of entrances/ machine areas
- Physical separation of areas
- Location of entry
- Notices/ signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets/ helpline numbers for organisations such as GamCare

This list is not mandatory, nor exhaustive, and is merely indicative of example

measures.

## **10. Licensed Family Entertainment Centres**

The Council will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority, for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas.

The Council may consider measures to meet the licensing objectives such as:

- Proof of age schemes
- CCTV
- Supervision of entrances/ machine areas
- Physical separation of areas
- Location of entry
- Notices/ signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets/ helpline numbers for organisations such as GamCare
- Measures/ training for staff on how to deal with suspected truant school children on the premises

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

The Council will, as per the Gambling Commission's Guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing category C machines should be delineated. The Council will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.

## **11. Casinos**

The Council has not passed a 'no casino' resolution under Section 166 of the Gambling Act 2005, but is aware that it has the power to do so. Should the Council decide in the future to pass such a resolution, it will update this statement of principles with details of that resolution. Any such decision will be made by the Full Council.

## **12. Bingo Premises**

The Council notes that the Gambling Commission's Guidance states in 18.4 *"Licensing authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas"*.

The Council also notes the Guidance at paragraph 18.7 where the the holder of a bingo premises licence may make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises.

Premises in existence before 13 July 2011 are entitled to make available eight category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. The holder of bingo premises licence granted on or after 13 July 2011 but before 1 April 2014 is entitled to make available a maximum of eight category B gaming machines or 20% of the total number of gaming machines, whichever is the greater; from 1 April 2014 these premises will be entitled to 20% of the total number of gaming machines only.

Regulations state that category B machines at bingo premises should be restricted to sub-category B3 and B4 machines, but not B3A lottery machines.

*"Children and young people are allowed into bingo premises; however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separate from areas where children and young people are allowed"*.

### **13. Betting Premises**

The Council will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/ nature/ circumstances of betting machines an operator wants to offer.

### **14. Credit/ ATM's**

Section 177 of the 2005 Act requires, in relation to casino and bingo premises licences, that a condition be placed on the licence prohibiting the provision of credit in connection with gambling authorised by the licence or any involvement with the provision of credit.

Section 177 does not, however, prevent the licensee from permitting the installation

of cash dispensers (ATM's) on the premises. Such machines may accept credit cards (and debit cards) providing the arrangement is subject to a requirement that the licensee has no other commercial connection with the machine provider in relation to gambling (aside from the agreement to site the machines) and does not profit from the arrangement, nor make any payment in connection with the machines.

## 15. Tracks

The Council is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, the Council will especially consider the impact upon the third licensing objective (i.e the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

The Council will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/ or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

The Council may consider measures to meet the licensing objectives such as:

- Proof of age schemes
- CCTV
- Supervision of entrances/ machine areas
- Physical separation of areas
- Location of entry
- Notices/ signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets/ helpline numbers for organisations such as GamCare

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

### Gaming Machines

Where the applicant holds a pool betting operating licence and is going to use his entitlement to four gaming machines (other than category D machines), these machines should be located in areas from which children are excluded.

## Betting Machines

The Council will take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/ nature/ circumstances of betting machines an operator wants to offer.

## Applications and Plans

The Gambling Act (Section 51) requires applicants to submit plans of the premises with their application, in order to ensure that the licensing authority has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used for the Council to plan future premises inspection activity.

Plans for tracks do not need to be in a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.

Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point-to-point race tracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises.

In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through occasional use notices where the boundary premises do not need to be defined.

The Council appreciates that it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this authority can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the 'five times rule' (commonly known as betting rings) must be indicated on the plan.

## 16. Travelling Fairs

It will fall to the Council to decide whether, where category D machines and/ or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

The Council will also consider whether the applicant falls within the statutory

definition of a travelling fair.

It is noted that the 27 day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held regardless of whether it is the same or different travelling fairs occupying the land. The Council will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

## **17. Provisional Statements**

Developers may wish to apply to the Council for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

Section 204 of the Gambling Act 2005 provides for a person to make an application to the licensing authority for a provisional statement in respect of premises that he or she:

- a) Expects to be constructed;
- b) Expects to be altered; or
- c) Expects to acquire a right to occupy

The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.

In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have a right to occupy the premises in respect of which their provisional application is made.

The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The Council will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:

- They concern matters which could not have been addressed at the provisional statement stage, or
- They reflect a change in the applicant's circumstances.

In addition, the Council may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- Which could not have been raised by objectors at the provisional statement stage;
- Which in the authority's opinion reflect a change in the operator's circumstances; or
- Where the premises has not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and the Council notes that it can discuss any concerns it has with the applicant before making a decision.

## 18. Reviews

Requests for a review of a premises licence can be made by interested parties or responsible authorities (it should be noted that there is no mechanism to review any permit or notice). However, it is for the Licensing Authority to decide whether such a request will result in a review. Such a decision will be taken by considering, amongst other matters, the following:

- Any relevant code of practice or guidance issued by the Gambling Commission;
- The licensing objectives
- The Licensing Authority's Statement of Policy
- Whether the request is considered frivolous, vexatious, or whether it will certainly not cause the authority to wish to alter or revoke or suspend the licence; and
- Whether the request is substantially the same as previous representations or requests for a review.

The Council, as the licensing authority, may also initiate a review of a premises licence. The purpose of such a review would be to determine whether the Council, as the licensing authority, should take any action in relation to the licence.

Following a review, the actions open to the licensing authority are:

- Add, remove or amend a licence condition imposed by the licensing authority;
- Exclude a default condition imposed by the Secretary of State or Scottish Ministers to remove or amend such an exclusion;
- Suspend the licence for any period not exceeding three months; and
- Revoke the licence.

In considering what action, if any, should be taken following a review the Council must have regard to the principles set out under Section 153 of the Act as well as any relevant representations.

## PART C PERMITS/ TEMPORARY & OCCASIONAL USE NOTICES

### **1. Unlicensed Family Entertainment Centre Gaming Machine Permits**

Unlicensed family entertainment centres will be able to offer category D machines if granted a permit by the Council. If an operator of a family entertainment centre wishes to make category C machines available in addition to category D machines, they will need to apply for an operating licence from the Gambling Commission and a Premises Licence from the Council.

The Council can grant or refuse an application for a permit, but cannot attach conditions.

### **2. Statement of Principles**

As unlicensed family entertainment centres will particularly appeal to children and young persons, weight shall be given to child protection issues.

The Council will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits.

The policies and procedures are expected to include:

- What staff should do if they suspect that truant children are on the premises
- How staff should deal with unsupervised young children on the premises
- How staff should deal with children causing perceived problems on or around the premises

The Council will also expect applicants to demonstrate:

- A full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed family entertainment centres;
- That the applicant has no relevant convictions (those that are set out in Schedule 7 to the Act);
- That staff are trained to have a full understanding of the maximum stakes and prizes

### **3. Alcohol Licensed Premises Gaming Machine Permits**

Premises licensed to sell alcohol for consumption on the premises, can automatically

have 2 gaming machines, of categories C and/or D. The holder of a Premises Licence under the Licensing Act 2003, authorising the sale of alcohol, will simply need to notify the Council, and pay the prescribed fee.

The Council may remove the automatic authorisation in respect of any particular premises if;

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Act;
- the premises are mainly used for gaming; or
- an offence under the Act has been committed on the premises.

If a premises wishes to have more than 2 machines, then the holder of the Premises Licence will need to apply for a permit. The Council shall consider that application having regard to the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Act, and any other matters that are considered relevant.

The Council shall determine what constitutes a relevant consideration on a case-by-case basis, but weight shall be given to the third licensing objective i.e. protecting children and vulnerable persons from being harmed or being exploited by gambling. To this end, the Council will expect applicants to demonstrate

- that there will be sufficient measures in place to ensure that under 18 year olds do not have access to the adult only gaming machines.
- Measures may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18.
- Notices and signage will also need to be considered.

With respect to the protection of vulnerable persons, the Council will expect applicants to provide information leaflets / helpline numbers for organisations such as GamCare.

It is recognised that some alcohol-licensed premises may apply for a Premises Licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre Premises Licence.

The Council may decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. The Council will not attach any other conditions in granting such an application.

The holder of such a permit will be required to comply with any Code of Practice issued by the Gambling Commission about the location and operation of the

machine.

#### **4. Prize Gaming Permits**

Applicants for prize gaming permits should set out the types of gaming that they intend to offer. The applicant will be required to demonstrate:

- that they understand the limits to stakes and prizes that are set out in Regulations; and
- that the gaming offered is within the law.

In making its decision on an application for this type of permit the Council does not need to have regard to the licensing objectives but will have regard to any Gambling Commission guidance. Weight will be given to child protection issues, and relevant considerations are likely to include the suitability of the applicant (i.e. if the applicant has any convictions which would make them unsuitable to operate prize gaming) and the suitability of the premises. Applicants for prize gaming permits must disclose any previous relevant convictions to the Council.

The Council may grant or refuse an application for a permit, but will not attach any conditions. However, there are 4 conditions in the Act that permit holders must comply with. These are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

#### **5. Club Gaming and Club Machine Permits**

Members clubs (but not commercial clubs) may apply for a club gaming permit. The club gaming permit will enable the premises to provide gaming machines (3 machines of categories B4, C or D), equal chance gaming and games of chance.

If a club does not wish to have the full range of facilities permitted by a club gaming permit or if they are a commercial club not permitted to provide non-machine gaming (other than exempt gaming under section 269 of the Act), they may apply for a club

machine permit, which will enable the premises to provide gaming machines (3 machines of categories B3A, B4, C or D).

Members clubs must have at least 25 members and be established and conducted “wholly or mainly” for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members’ club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men’s clubs, branches of Royal British Legion and clubs with political affiliations.

The Council will only refuse such an application on one or more of the following grounds;

- the applicant does not fulfil the requirements for a members’ or commercial club and therefore is not entitled to receive the type of permit for which it has applied;
- the applicant’s premises are used wholly or mainly by children and/or young persons;
- an offence under the Act or a breach of a condition of a permit has been committed by the applicant while providing gaming facilities;
- a permit held by the applicant has been cancelled in the previous ten years; or;
- an objection has been lodged by the Gambling Commission or the Police

The Council will have regard to the guidance issued by the Gambling Commission and (subject to that guidance), the licensing objectives.

There is a ‘fast-track’ procedure available for clubs which hold a club premises certificate under the Licensing Act 2003. Under the fast-track procedure there is no opportunity for objections to be made by the Gambling Commission or the Police, and the grounds upon which an authority can refuse a permit licences are reduced.

The grounds on which an application under the fast track procedure may be refused are;

- that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.

The Council may grant or refuse an application for a club gaming or club machine permit, but will not attach any conditions. However, premises must comply with the

Gambling Commissions Licence Conditions and Codes of Practice. There are a number of conditions in the Act that the holder must comply with.

## **6. Cancellation of Permits**

### Gaming / Machine Permits

The authority is able to cancel a permit. It may do so in specified circumstances which include if the premises are used wholly or mainly by children or young persons or if an offence under the Act has been committed. Before it cancels an authority must notify the holder giving 21 days' notice of intention to cancel, consider any representations made by the holder, hold a hearing if requested, and comply with any other prescribed requirements relating to the procedure to be followed.

### Club Gaming / Club Machine Permits

Decisions relating to the cancellation of a Club Gaming or Club Machine Permit may not be made by an officer of the authority. Such decisions shall be dealt with by the Licensing Sub Committee.

### Alcohol Licensed Premises Permits

In the event of representations being received against a notice of cancellation, the matter will be determined by a licensing sub-committee. Where no representations have been received, or if they have been received but have been subsequently withdrawn, then the final decision may remain with an Officer of the Council.

## **7. Small Local Society Lotteries**

A Small Society Lottery is a lottery that is promoted on behalf of a non-commercial society (such as a charity or similar non-profit making organisation) to raise funds for any of the purposes for which the society or organisation is set up.

Small Society Lotteries do not require a licence but must be registered with the licensing authority in the area where the society's principle premises is situated. An application to register a Small Society Lottery should be on the relevant application form and accompanied by any necessary documents and the appropriate fee.

The maximum prize per ticket in either money or monies worth is £25,000.

In determining whether to grant or renew a small society lottery registration, the Licensing Authority will have regard to the Guidance to Local Authorities issued by the Commission.

Societies may wish to refer to the relevant section of the Licensing Authority's

website for full details on how to register and maintain small society lottery registrations.

## **8. Exempt Gambling**

The Licensing Authority has no control over Gambling in these circumstances, provided the specific requirements are complied with and any limits on stakes and prizes are observed.

### **8.1. Non-commercial gaming**

There are two types of non-commercial gaming allowed: non-commercial prize gaming and non-commercial equal chance gaming. Neither of these require any authorisation provided the maximum stakes and prizes are not exceeded. In each case the gaming can be incidental to another activity, or the activity itself. It must be non-commercial which means there must be no private profit or gain. However, the proceeds of such events may benefit an organisation, group or one or more individuals if the activity is organised:

- by, or on behalf of, a charity or for charitable purposes;
- to enable participation in, or support of, sporting, athletic or cultural activities.

### **8.2. Non-commercial prize gaming**

In this case, the prize should be determined in advance and not be dependent on the number of players or monies staked. The players should be told what the monies are being raised for, and it cannot take place in premises that have a Gambling Act premises licence (except a track).

This can include casino nights and race nights.

### **8.3. Non-commercial equal chance gaming**

In this case, the stakes per player cannot exceed £8. In addition, the aggregate value of prizes in all games played at a single event cannot exceed £600 (but if the event is the final one of a series in which all of the players have previously taken part, a higher prize fund of up to £900 is allowed). The players should be told what the monies are being raised for, and it cannot take place in premises that have a Gambling Act premises licence (except a track).

This can include casino nights and race nights.

#### **8.4. Private gaming**

This covers situations where the public are not admitted to the gaming. This includes residential and domestic premises and workplaces.

This can include casino nights and race nights.

#### **8.5. Domestic gaming**

Non-equal chance gaming can be played in private dwellings on domestic occasions provided no participation charge is made.

#### **8.6. Residential gaming**

Non-equal chance gaming can be played in hostels or halls of residence provided at least 50% of the participants are residents.

#### **8.7. Non-commercial and private betting**

This is betting in domestic premises or workplaces. In domestic premises the participants must habitually reside there, and for workers betting the participants must be employed by the same employer.

#### **8.8. Incidental non-commercial lottery**

These can take place as an incidental activity at another non-commercial event, e.g. a raffle at a dinner or tombola at a garden party. No registration or permission is required provided the following requirements are met.

- Tickets can only be sold on the premises where the event takes place to people present and while the event is taking place;
- The draw must take place at the event and the results must be announced while the event is taking place;
- No rollovers are allowed;
- The maximum deduction allowed for prizes from the proceeds is £500; and
- The maximum deduction allowed for organising costs from the proceeds is £100.

## **9. Exempt gambling in pubs**

Various types of gambling can take place in premises that are licensed under the Licensing Act 2003 to sell alcohol for consumption on the premises and which have a bar at which alcohol is served to customers, but this does not apply where the sale of alcohol can only take place as being ancillary to the sale of food.

### **9.1. Equal chance gaming in pubs**

Equal chance gaming up to specified limits on stakes and prizes can take place, and this includes games such as backgammon, mah-jong, rummy, kalooki, dominoes, cribbage, bingo and poker.

The following requirements have to be met:

- The maximum stakes and prizes for each type of game must not be exceeded (£5 maximum stake for any game of chance except poker, dominoes and cribbage. For poker the maximum stake is £5, a daily maximum of £100 in aggregate stakes cannot be exceeded and the maximum prize limit is £100. There are no limits on stakes and prizes for dominoes or cribbage);
- The gaming must be supervised by a nominated gaming supervisor and comply with Gambling Commission codes of practice;
- No participation fees can be charged and no levy taken from stakes or prizes;
- The games cannot be linked to any other games in other premises; and
- Nobody under 18 years old can take part.

### **9.2. Bingo in pubs**

Low-turnover bingo where the aggregate of stakes and prizes in a seven day period does not exceed £2000 can take place.

## **10. Exempt gambling in Clubs**

There are two types of club for the purposes of the Act: members' clubs (including miners' welfare institutes) and commercial clubs. Generally speaking the club must be established for purposes other than gaming, but there is an exception for bridge or whist clubs. The exempt gaming that can take place differs according to the type of club. If a club has a club gaming permit, additional games and higher stakes and participation fees apply.

### **10.1. Equal chance gaming in clubs**

Equal chance gaming with no specified limits on stakes and prizes (except for poker) can take place.

The following requirements have to be met:

- Only club members (who have been members for at least 48 hours) or a bona fide guest of a member can participate;
- Except for poker, there is no maximum stake or prize;
- For poker there is a £10 maximum stake, a daily maximum of £250 in aggregate stakes and a seven day maximum of £1000 in aggregate stakes cannot be exceeded, and the maximum prize limit is £250;
- The gaming must be supervised by a nominated gaming supervisor and comply with Gambling Commission codes of practice;
- A maximum participation fee of £1 can be charged but no levy taken from stakes or prizes (however if the games are bridge or whist, on a day when no other gaming is permitted, participation fees of up to £18 per person can be charged);
- The games cannot be linked to any other games in other premises; and
- Nobody under 18 years old can take part.

### **10.2. Bingo in clubs**

Low-turnover bingo where the aggregate of stakes and prizes in a seven day period does not exceed £2000 can take place in all types of club.

### **10.3. Bridge and Whist clubs**

Unlimited stakes bridge or whist can be played. In addition participation fees (up to £18) can be charged.

## **11. Temporary Use Notices**

Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a Temporary Use Notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.

The licensing authority can only grant a Temporary Use Notice to a person or

company holding a relevant operating licence i.e. a non-remote casino operating licence.

The Secretary of State has the power to determine what form of gambling can be authorised by Temporary Use Notices, and at the time of writing this statement the relevant regulations (SI no3157: The Gambling Act 2005 (Temporary Use Notices) Regulations 2007) state that Temporary Use Notices can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.

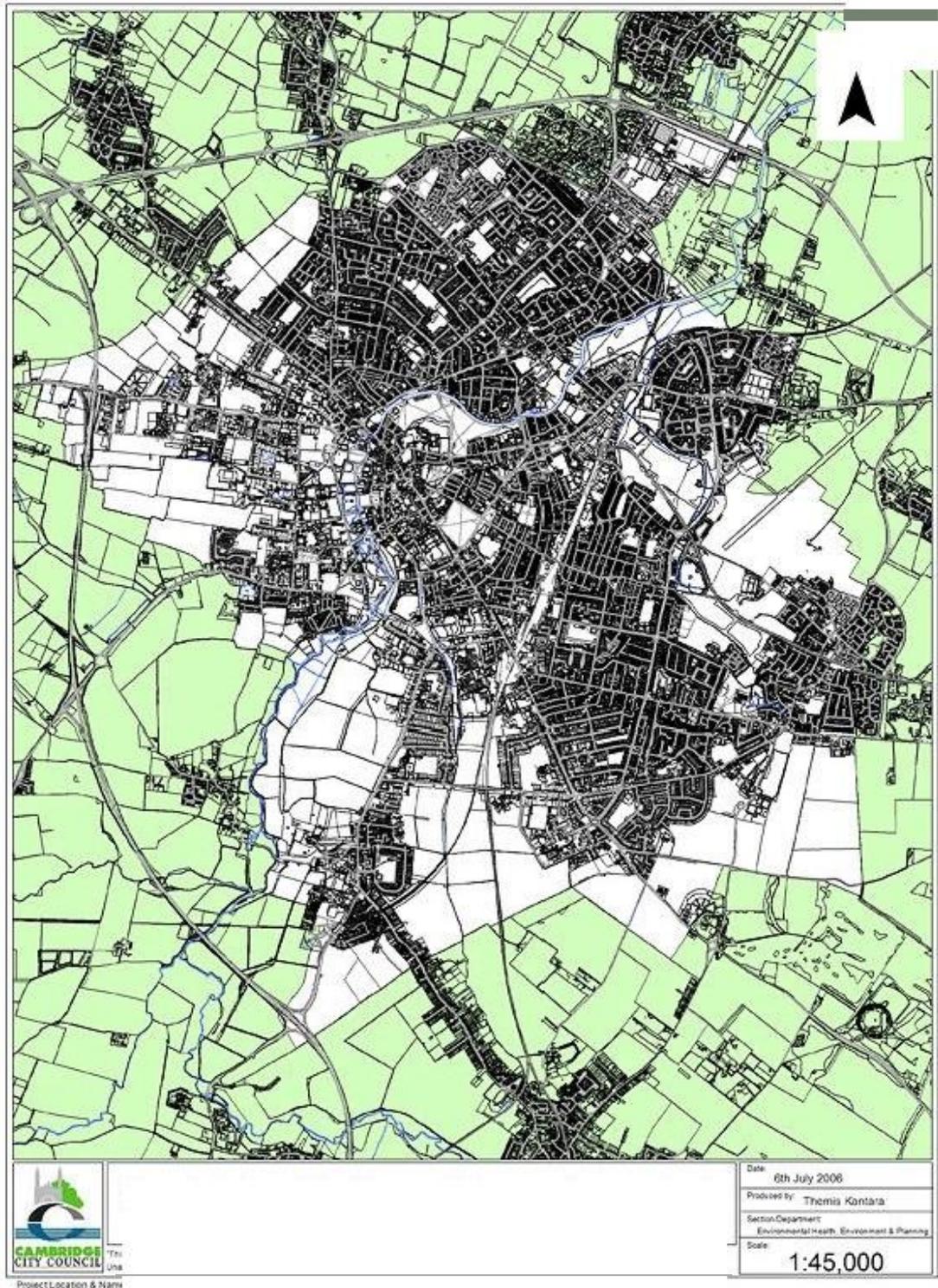
There are a number of statutory limits as regards Temporary Use Notices. Gambling Commission Guidance is noted that *“the meaning of ‘premises’ in Part 8 of the Act is discussed in Part 7 of the Gambling Commission Guidance to Licensing Authorities. As with ‘premises’ the definition of a ‘set of premises’ will be a question of fact in the particular circumstances of each notice that is given. In the Act ‘premises’ is defined as including ‘any place’. In considering whether a place falls within the definition of a ‘set of premises’, licensing authorities will need to look at, amongst other things, the ownership/ occupation and control of the premises”*.

This licensing authority expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission’s Guidance.

## **12. Occasional Use Notices**

The Council has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Council will though consider the definition of a ‘track’ and whether the applicant is permitted to avail him/ herself of the notice.

# APPENDIX A – PLAN



## APPENDIX B – LIST OF CONSULTEES

- Responsible Authorities
- Emma Thornton (Head of Tourism & City Centre Management)
- Graham Saint (Consultation Working Group)
- Adam Ratcliffe (CAMBAC Manager)
- Poppleston Allen
- TLT Solicitors
- Gamestec
  
- **BACTA**
- **The Bingo Association**
- **Association of British Bookmakers Ltd (ABB)**
- **Business In Sport and Leisure (BISL)**
- **BALPA**
- **British Institute of Inn Keeping (BIi)**
- **Justices Clerks' Society**
- **The Portman Group**
- **British Beer and Pub Association**
- **Racecourse Association Ltd**
- **GAMCARE**
- **Greater Cambridge Partnership**
- **Cambridge Citizens Advice Bureau**
- **Cambridgeshire Chambers of Commerce**

Paddy Power  
Coral Bookmakers  
Ladbrokes PLC  
William Hill  
Betfred  
Done Brothers (Cash Betting) Limited  
Power Leisure Bookmakers Ltd  
Quicksilver Amusement  
Talarium Limited

### Ward Residents Associations

Abbey People  
Riverside Area Residents Association  
Riverside Area Residents Association  
Whitehill Residents Association  
The Friends of Sourbridge Common  
Castle Community Action Group

Darwin & Akeman St (DEARA)  
NAFRA 19 Acre Field Residents' Association  
NAFRA 19 Acre Field Residents' Association  
Storeys Way Residents' Association  
Concerned Residents Of North West Cambridge (CRONC)  
Windsor Road Residents Association (WIRE)  
Oxford Road Residents' Association  
CREW  
Tavistock Road & Stratfield Close Residents' Association  
Richmond Road Residents' Association  
Richmond Road Residents' Association  
Marion Close & Sherlock Road Association  
Sherlock Close RA  
Shelly Gardens Leaseholder's Association  
Rustat Neighbourhood Association  
Newnham Croft Conservation Group  
Newnham Croft Conservation Group  
Cherry Hinton & Rathmore Road Residents' Association  
Old Chesterton Residents Association  
Iceni Homes (Hundred Houses) Tenants' Association  
Three Trees Residents' Association  
Three Trees Residents' Association  
St Andrews Road RA  
Fen Estates and Nuffield Road RA (FENRA)  
Fen Road Steering Group  
Bradmore & Petersfield Residents Association  
Kings Hedges Neighbourhood Partnership  
Park Street Residents' Association  
Park Street Residents' Association  
Park Street Residents' Association  
Ravensworth Gardens Residents Association Limited  
Christs Pieces Residents Association  
King Street Neighbourhood Association  
Jesus Green Association  
Jesus Green Association  
Brunswick & North Kite Residents Association  
Brunswick & North Kite Residents Association  
Evening Court RA  
Radcliffe Court Residents' Association  
St Andrews Road RA  
North Newnham Residents Association  
Gough Way Residents Association  
West Cambridge Preservation Society  
Clerk Maxwell Road Residents' Association  
Pinehurst South Resident's Association  
Pinehurst South Resident's Association  
Residents' Association of Old Newnham  
Residents' Association of Old Newnham  
Residents' Association of Old Newnham  
Bulstrode Gardens Residents Association



Barton Close Residents' Association  
Millington Road & Millington Lane Residents' Association  
Millington Road & Millington Lane Residents' Association  
Hedgerley Close RA  
Bradmore & Petersfield Residents Association  
Bradmore & Petersfield Residents Association  
George Pateman Court Residents' Association  
Covent Garden Residents' Association  
Glisson Road/Tenison Road Area Residents' Association  
Petersfield Mansions Residents' Association  
Petersfield Mansions Residents' Association  
Petersfield Area Community Trust (PACT)  
Mill Road Community Improvements Group  
Devonshire Road Residents' Association  
Guest Road Residents' Association  
Highsett Flats Resident's Association  
Babraham Road Action Group  
Corfe Close Residents Association (CCRA)  
Greenlands' Residents Association  
Blinco Grove Residents' Association  
East Mill Road Action Group EMRAG  
Romsey Action  
Mill Road Society  
Mill Road Society  
Mill Road Society  
Mill Road Society  
Empty Common Allotment Society  
Gazeley Lane Residents' Association  
Brookside Residents Association  
Hanover & Princess Court Residents' Association  
Bateman Street & Bateman Mews Residents Association  
Bishops Court Residents' Company Ltd  
Trumpington Residents Association  
Norwich Street Residents' Association  
Norwich Street Residents' Association  
Southacre Latham Road and Chaucer Road RA (SOLACHRA)  
Southacre Latham Road and Chaucer Road RA (SOLACHRA)  
Southacre Latham Road and Chaucer Road RA (SOLACHRA)  
Accordia Community and Resident's Association (ACRA)  
Accordia Community and Resident's Association (ACRA)  
Brooklands Avenue Area Residents' Association  
North Newtown Residents' Association  
North Newtown Residents' Association  
Newtown Residents' Association  
Applecourt Residents' Association  
Fenners Lawn Residents' Association  
Fenners Lawn Residents' Association  
BENERA (Bentley and Newton Road Residents' Association)  
Victoria Park Residents Working Group  
Mitchams Corner Residents' & Traders' Association (MCRTA)  
Mulberry Close Residents Society



Sandy Lane Residents' Association  
De Freville Avenue RA  
Federation of Cambridge Residents' Associations (Secretary)  
Federation of Cambridge Residents' Associations (Chair)

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## **APPENDIX C – Responsible Authorities**

**The Licensing Authority**

**The Gambling Commission**

**The Chief Officer of Police**

**The Fire and Rescue Authority**

**Planning Authority**

**Environmental Health**

**Local Safeguarding Children Board**

**HM Revenues and Customs**

In addition, for vessels:

**Environment Agency**

**Conservators of the River Cam**

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APPENDIX D List of Authorisation

MATTER TO BE DEALT WITH	FULL COUNCIL	LICENSING COMMITTEE/SUB COMMITTEE	OFFICERS	COUNCIL SOLICITOR
Three year licensing policy	✓			
Policy not to permit casinos	✓			
Fee setting-when appropriate		✓		
Application for premises licences		Where representations received and not withdrawn	Where no representations received/representations have been withdrawn	
Application for a variation to a licence		Where representations received and not withdrawn	Where no representations received/representations have been withdrawn	
Application for a transfer of a licence		Where representations received from the Gambling Commission	Where no representations received from the Gambling Commission	
Application for provisional statement		Where representations received and not withdrawn	Where no representations received/representations have been withdrawn	
Review of premises licence		✓		
Application for club gaming/club machine permits		Where representations received and not withdrawn	Where no representations received/representations have been withdrawn	
Cancellation of club gaming/club machine permits		✓		
Application for other permits			✓	
Cancellation of licensed premises gaming machine permits			✓	
Consideration of Temporary Use Notices			✓	
Decision to give a counter Notice to a Temporary Use Notice		✓		
Determination as to whether a person is an interested party				✓
Determination as to whether representations are relevant				✓
Determination as to whether a representation is frivolous, vexatious or repetitive				✓

Representative of Licensing Authority who will be responsible for making representations as the Responsible Authority on licence applications				✓
Responsibility for attaching to premises licences Mandatory, Default and Specific Conditions			✓	
Representative of Licensing Authority who can initiate a Licence review				✓
Representative of Licensing Authority who can reject an application for a Licence review				✓

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## APPENDIX E – GLOSSARY OF TERMS

**Admissible Representations:** - representations submitted by a Responsible Authority or Interested Party.

**Authorised Local Authority Officer:** - a Licensing Authority Officer who is an authorised person for a purpose relating to premises in that authority's area.

**Authorised Person:** - a licensing officer and an officer of an authority other than a Licensing Authority, both of whom have been authorised for a purpose relating to premises in that authority's area. The following are considered authorised persons:

- Inspectors appointed under the Fire Precautions Act 1971;
- Inspectors appointed under the Health and Safety at work, etc. Act 1974;
- Inspectors or Surveyors of ships appointed under the Merchant Shipping Act 1995; &
- A person in a class prescribed in regulations by the Secretary of State.

**Automated Roulette Equipment:** - equipment that is either linked to a live game of chance, e.g. roulette, or plays live automated games, i.e. operates without human intervention.

**Automatic Conditions:** - conditions attached automatically to premises licences or authorisations. The Licensing Authority has no discretion not to include or modify them.

**AWP machines:** - Amusement with Prize Machines

**BACTA:** - the British Amusement Catering Trade Association

**Betting Intermediary:** - someone who offers services via remote communication, such as the internet.

**Betting Ring:** - an area that is used for temporary 'on course' betting facilities.

**Bingo:** - a game of equal chance.

**Casino:** - an arrangement whereby people are given an opportunity to participate in one or more casino games.

**Casino Games:** - games of chance that are not equal chance gaming.

**Casino Premises Licence Categories:** - regional, large, small, casinos permitted under transitional arrangements.

**Casino Resolution:** - resolution concerning whether or not to issue Casino Premises Licences.

**Child:** - an individual who is less than 16 years old.

**Christmas Day Period:** - the period of 24 hours from midnight on 24 December.

**Club Gaming Machine Permit:** - a permit to enable the premises to provide gaming machines (three machines of Categories B, C or D)

**Club Gaming Permit:** - a permit to enable the premises to provide gaming machines (three machines of Categories B C or D), equal chance gaming and games of chance.

**Complex Lottery:** - an arrangement where:

- Persons are required to pay to participate in the arrangement;
- In the course of the arrangement, one or more prizes are allocated to one or more members of a class;
- The prizes are allocated by a series of processes; and
- The first of those processes relies wholly on chance.

**Conditions:** - conditions to be attached to licences by way of:

- Automatic provision
- Regulations provided by Sec. Of State
- Conditions provided by Gambling Commission
- Conditions provided by Licensing Authority
- Conditions may be general in nature (either attached to all licences or all licences of a particular nature) or may be specific to a particular licence.

**Customer Lotteries:** - lotteries run by the occupiers of business premises who sell tickets only to customers present on their premises. These lotteries may not be conducted on vessels.

**Default Conditions:** - conditions that will apply unless the Licensing Authority decide to exclude them. This may apply to all Premises Licences, to a class of Premises Licence or Licences for specified circumstances.

**Delegated Powers:** - decisions delegated by the Licensing Authority either to a Licensing Committee, Sub-Committee or Licensing Officers.

**Disorders:** - in the case of gambling premises licences, disorder is intended to mean activity that is more serious and disruptive than mere nuisance.

**Domestic Computer:** - one used for in a residential property for private, non-commercial purposes and is exempt from a Gaming Machine Permit.

**Dual Use Computer:** - definition in forthcoming Regulations. Exempt from a Gaming Machine Permit.

**Equal Chance Gaming:** - games that do not involve playing or staking against a bank and where the chances are equally favourable to all participants.

**EBT:** - Electronic Bingo Ticket Minders consisting of electronic equipment operated by a Bingo Operators Licence for the purposes of playing bingo.

**Exempt Lotteries:** - lotteries specified in the Gambling Act as permitted to be run without a licence from the Gambling Commission. There are four types:

- Small Society Lottery (required to register with Licensing Authorities)
- Incidental Non Commercial Lotteries
- Private Lotteries
- Customer Lotteries

**External Lottery Manager:** - an individual, firm or company appointed by the Small Lottery Society to manage a lottery on their behalf. They are consultants who generally take their fees from the expenses of the lottery.

**Fixed Odds Betting:** - general betting on tracks.

**Gaming:** - prize gaming where the nature and size of the prize is not determined by the number of people playing or the amount paid for or raised by the gaming and where the prizes are determined by the operator before the play commences.

**Gaming Machine:** - a machine used for gambling under all types of gambling activity, including betting on virtual events.

**Guidance to Licensing Authorities:** - guidance issued by the Gambling Commission dated May 2009.

**Inadmissible Representation:** - a representation not made by a Responsible Authority or Interested Party.

**Incidental non-commercial lottery:** - a lottery that is run as an additional amusement at non-commercial events with tickets only sold and drawn during the event, such as a raffle at a dance, bazaar etc.

**Information Exchange:** - exchanging of information with other regulatory bodies under the Gambling Act.

**Interested Party:** - a person who in the opinion of the Licensing Authority

- Lives sufficiently close to the premises to be likely to be affected by the authorised activities,

- Has business interests that might be affected by the authorised activities, or

- Represents persons above, including Trade Associations, Trade Unions, Residents and Tenants Associations where they can demonstrate that they represent such persons.

In determining if a person lives or has business interests sufficiently close to the premises, the following factors will be considered: -

- The size and nature of the premises to be licensed.

- The distance of the premises from the location of the person making the representation.

- The potential impact of the premises (e.g. number of customers, routes likely to be taken by those visiting the establishment).

- The nature of the complaint, i.e. not the personal characteristics of the complainant but the interest of the complainant, which may be relevant to the distance from the premises.

- The catchment area of the premises (i.e. how far people travel to visit).

- Whether the person making the representation has business interests that might be affected in that catchment area.

**Irrelevant Representations:** - representations that are vexatious, frivolous or will certainly not influence the authority's determination of the application.

**Large Lottery:** - where the total value of tickets in any one lottery exceeds £20,000 or tickets in separate lotteries in one calendar year exceeds £250,000. This type of lottery requires an operating Licence from the Gambling Commission.

**Licensed Lottery:** - large society lotteries and lotteries run for the benefit of local authorities will require operating licences to be issued by the Gambling Commission.

**Licensing Objectives:** - there are three objectives

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way; and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

**Live Gambling:** - gambling on a live game as it happens.

**Lottery:** - an arrangement which satisfies the statutory description of either a simple lottery or a complex lottery in Section 14 of the Act.

**Lottery Tickets:** - every lottery must have tickets for each chance

- Identifying the promoting society
- Stating the price of the ticket, which must be the same for all tickets
- Stating the name and address of the member of the society who is designated as having responsibility at the Society for the promotion of the lottery, or, if there is one, the external lottery manager; and
- Stating the date of the draw, or sufficient information to enable the date of the draw to be determined.

**Mandatory Conditions:** - conditions that must be attached to a Premises Licence, to a class of Premises Licence or licences for specified circumstances.

**Members Club:** - a club must have at least 25 members, be established and conducted 'wholly or mainly' for purposes other than gaming, be permanent in nature, not established to make commercial profit and controlled by its members equally.

**Non-commercial event:** - an event where all the money raised at the event, including entrance fees, goes entirely to purposes that are not for private gain.

**Non-commercial society:** - a society established and conducted for charitable purposes; for the purpose of enabling participation in, or of supporting, sport athletics or a cultural activity; or for any other non-commercial purpose other than that of private gain.

**Occasional Use Notice:** - a notice that may only be issued in respect of a track, that permits betting on a track without the need for a Premises Licence and which only the person responsible for administration of events on the track or the occupier of the track may issue.

**Off Course Betting:** - betting that takes place other than at a track, i.e. at a licensed betting shop.

**Off Course Betting:** - betting that takes place in self contained betting premises within the track premises providing facilities for off course betting, i.e. on other events, not just those taking place on the track. Normally operate only on race days.

**On Course Betting:** - betting that takes place on a track while races are taking place.

**Operating Licence:** - a licence issued by the Gambling Commission to permit individuals and companies to provide facilities for certain types of gambling, including remote or non remote gambling.

**Permit:** - an authorisation issued by the Licensing Authority to provide gambling facilities where the stakes and prizes are low or gambling is not the main function of the premises.

**Personal Licence:** - a licence issued by the Gambling Commission to individuals who control facilities for gambling or are able to influence the outcome of gambling.

**Pool Betting (Tracks):** - pool betting may only be offered at a horse racecourse by the Tote and at a dog track by the holder of the premises licence for the track.

**Premises:** - 'any place' including anything (other than a seaplane or amphibious vehicle) designed or adapted for use on water, a hovercraft or anything or any place situated on or in water. It is for the Licensing Authority to decide whether different parts of a building can be properly regarded as being separate premises.

**Premises Licence:** - a licence issued by the Licensing Authority to authorise the provision of gaming facilities on casino premises, bingo premises, betting premises, including tracks, adult gaming centres and family entertainment centres where an operator's licence and personal licence have been issued by the Gambling Commission. A licence is restricted to one premises only but one set of premises may have separate licences issued in respect of different parts of the building.

**Private lottery:** - there are three types of private lottery

- Private Society Lotteries – tickets may only be sold to members of the Society or persons who are on the premises of the Society
- Work Lotteries – the promoters and purchasers of tickets must all work on a single set of work premises
- Residents' Lotteries – promoted by, and tickets may only be sold to, people who live at the same set of premises

**Prize Gaming:** - gaming in which the nature and size of the prize is not determined by the number of players or the amount paid for or raised by the gaming, the prizes having been determined before play commences, e.g. bingo with non-cash prizes. (NB: bingo with cash prizes and that carried on in commercial bingo halls will need to be licensed by the Gambling Commission; prize gaming does not include gaming by use of gaming machines.)

**Prize Gaming Permit:** - a permit issued by the Licensing Authority to authorise the provision of facilities for gaming with prizes on specific premises.

**Provisional Statement:** - an application to the Licensing Authority in respect of premises that are

- Expected to be constructed
- Expected to be altered
- Expected to acquire a right to occupy

**Relevant Representations:** - representations that relate to the Gambling Licensing Objectives, the Gambling Commission's Guidance, the Codes of Practice.

**Responsible Authorities:** - public bodies for the area in which the premises are mainly or wholly situated

- Licensing Authority in whose area the premise is partly or wholly situated
- Chief Officer of Police
- Fire & Rescue Service
- Planning Authority
- Environmental Health (related to pollution and harm to human health)
- Body competent to advise on protection of children from harm, i.e. Children & Young Peoples' Service
- Authority in relation to vulnerable adults
- Navigation Authority whose statutory functions are in relation to waters where a vessel is usually moored or berthed
- Environment Agency
- British Waterways Board
- Maritime & Coastguard Agency
- HM Revenue & Customs
- Gambling Commission

**Simple Lottery:** - an arrangement where

- Persons are required to pay to participate in the arrangement
- In the course of the arrangement, one or more prizes are allocated to one or more members of a class and
- The prizes are allocated by a process which relies wholly on chance.

**SWP:** - a Skills-with-Prizes machine

**Skills with Prizes machine:** - a machine on which the winning of a prize is determined only by the player's skill and there is no element of chance. SWPs are unregulated.

**Small Lottery:** - where the total value of tickets in a single lottery is £20,000 or less and the aggregate value of the tickets in a calendar year is £250,000 or less.

**Small Society Lottery:** - a lottery promoted on behalf of a non-commercial society, i.e. lotteries intended to raise funds for good causes.

**Small Operations:** - independent on course betting operators with only one or two employees or a bookmaker running just one shop.

**Statement of Principles:** - matters the Licensing Authority may publish in the Statement of Licensing Principles that they intend to apply when considering an applicant's suitability in applications for permits for unlicensed family entertainment centres and prize gaming.

**Temporary Use Notice:** - a notice that may be issued in respect of a set of premises where there is no premises licence, but where a person or company holding an operating licence relevant to the proposed temporary use of premises wishes to use the premises temporarily for providing facilities for gambling.

**Travelling Fair:** - a fair that 'wholly or principally' provides amusements and must be on a site used for fairs for no more than 27 days per calendar year.

**Vehicles:** - includes trains, aircraft, sea planes and amphibious vehicles other than hovercraft.

**Vessel:** - anything (other than a seaplane or amphibious vehicle) designed or adapted for use on water; a hovercraft; or anything or part of any place situated on or in water.

**Virtual Betting:** - gambling by machine that takes bets on virtual races, i.e. images generated by computer to resemble races or other events.

**Vulnerable Persons:** - no set definition but likely to mean group to include people who gamble more than they want to, people who gamble beyond their means; people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.

**Young Person:** - an individual who is over 16 years of age but who is under 18 years of age.

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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](mailto: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:

Gambling Act 2005: Statement of Principles January 2016-January 2019

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

Licensing Authorities are required by the Gambling Act 2005 to publish a Statement of Principles that they propose to apply when exercising their functions under the above legislation. The statement must be published at least every three years. The statement must also be reviewed from 'time to time' and any amended parts re-consulted upon before publication.

The objective of the Statement of Principles is to inform interested parties of the principles that it proposes to apply when exercising its functions under the Gambling Act 2005. The Council must have regard to the licensing objectives as set out in section 1 of the Act as follows:

1. Preventing gambling from being a source of crime or disorder, being associated with crime disorder or being used to support crime;
2. Ensuring that gambling is conducted in a fair and open way; and
3. Protecting children and other vulnerable persons from being harmed or exploited by gambling

The Gambling Commission has updated the advice for Local Authorities on how to prepare the Statement of Gambling Principles. The changes will allow the Council to create a Statement which is reflective of local circumstances and issues than is the case now and under the new provisions the Council will be able to create a Local Area Profile to map the risks in Cambridge City of gambling-related harm according to a range of criteria. This could include:

- Mental health prevalence
- Significant ethnic groups
- Significant life stage groups
- Financial/ debt problems
- Housing instability
- Alcohol consumption
- Employment and income

The London Borough of Westminster and Manchester City Council have jointly commissioned research that will be made available for all Local Authorities to assist them in producing detailed Local Area Profiles of their communities and local needs.

Operators that apply for licences will be required to produce a risk assessment that is specific to Cambridge City Council's Local Area Profile and Statement of Gambling Principles. The risk assessment should address how the operator will mitigate any risks outlined. Furthermore, operators will be required to demonstrate in their applications how they will prevent underage gambling and also their attitude to social responsibility.

There would be extensive, detailed research required in order to produce and consult on a Local Area Profile, it would not be possible to undertake this and produce complete document in time to meet the January deadline for the Council's Statement of Principles.

Currently, officers have undertaken a 'light touch' review of the existing statement for approval, in order to ensure that we are legally compliant, with a view to a far more in depth review and new Statement being produced during 2016.

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

Cambridge City Council has a duty to determine and publish a Statement of Principles no later than 21 December 2015. The policy must also be referred to full Council for adoption in order to fulfil the Council's statutory duty.

The committee report can be found here: insert hyperlink

**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):

Children

Vulnerable Adults

**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: Customer & Community Services

Service: Environmental Health Service

**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):

## 7. Potential impact

There are no specific equalities indicators. Gambling legislation and licensing procedures are designed to ensure that all applications are dealt with on their own merits. The regulatory framework is transparent and fair.

**(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)

Children and vulnerable adults – whilst there is no specific evidence at this present time, however a more in depth review will be undertaken, and a new Statement of Principles produced, during 2016.

**(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)

Individuals with mental health issues and individuals with learning disabilities - whilst there is no specific evidence at this present time, however a more in depth review will be undertaken, and a new Statement of Principles produced, during 2016.

**(c) Gender**

There is no specific evidence at this present time. Further research will be carried out and a more in depth review will be undertaken, and a new Statement of Principles produced, during 2016.

**(d) Pregnancy and maternity**

N/A

**(e) Transgender** (including gender re-assignment)

N/A

**(f) Marriage and Civil Partnership**

N/A

**(g) Race or Ethnicity**

There is no specific evidence at this present time. Further research will be carried out and a more in depth review will be undertaken, and a new Statement of Principles produced, during 2016.

#### **(h) Religion or Belief**

There is no specific evidence at this present time. Further research will be carried out and a more in depth review will be undertaken, and a new Statement of Principles produced, during 2016.

#### **(i) Sexual Orientation**

N/A

#### **(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):**

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

Individuals affected by poverty and individuals in low income areas - There is no specific evidence at this present time. Further research will be carried out and a more in depth review will be undertaken, and a new Statement of Principles produced, during 2016.

#### **9. Conclusions and Next Steps**

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

#### **10. Sign off**

Name and job title of assessment lead officer: Victoria Jameson – Assistant Licensing Officer

Names and job titles of other assessment team members and people consulted:  
Yvonne O'Donnell – Environmental Health Manager

Date of completion: September 2015

Date of next review of the assessment: After April 2016 when further guidance has been issued, research and risk assessment undertaken and revised Statement of Principles consulted upon.

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## PLANNING

7 October 2015

1.00 - 4.10pm

**Present:** Councillors Blencowe (Vice-Chair, in the Chair), Bird, Hart, Hipkin, Pippas, C. Smart and Tunnacliffe

### FOR ADOPTION BY THE COUNCIL

#### **15/202/PLAN: Consultation on review of Cambridge Fringes Joint Development Control Committee terms of reference to determine City Deal infrastructure schemes.**

In late 2014, as part of the setting up of the Greater Cambridge City Deal Executive Board and agreeing its Terms of Reference, Cambridgeshire County Council (CCC), Cambridge City Council and South Cambridgeshire District Council (SCDC) agreed to delegate exercise of their functions to the Board where these functions relate to achieving the City Deal objectives. This entails the three Councils making any necessary changes to their schemes of delegation across a number of functions, one of which relates to the planning process and the granting of planning consent.

City Deal infrastructure schemes that are not located within the highway will require planning consent in order to be delivered. Legal advice obtained indicates that, where possible, planning decisions should be made across relevant geographical areas, in this case City and SCDC.

It is therefore considered that the most appropriate way to implement this principle is to modify the remit of the Cambridge Fringes Joint Development Committee (JDCC), which includes members from all three partner authorities, to include planning permission for City Deal infrastructure schemes. This will require changes to the existing Terms of Reference for the Committee.

Consultation is therefore being carried out with the three regulatory committees affected by the proposed changes as the first steps in this process; the JDCC, City Planning Committee and SCDC Planning Committee. The JDCC considered a report on the proposed changes on 18 September 2015 and supported the proposals in principle. The City Council's Planning Committee are now being consulted on the basis that some of the City Deal Infrastructure Schemes would otherwise fall within

the remit of the City Council's Planning Committee where elements are located wholly or partly the City Council boundary.

The final agreed version of the JDCC Terms of Reference will need to be formally approved through the three Councils in due course, once consultation with City Council and SCDC Planning Committees and other procedural approval processes have been completed. The timetable for this was set out in Section 3 of the Officer's report.

The Committee were recommended to support the principle of the proposed changes to the JDCC Terms of Reference, subject to:

- i. Consultation with SCDC Planning Committee.
- ii. Endorsement by Cambridgeshire County Council Constitution and Ethics Committee.
- iii. Formal approval through the three Councils.

The Committee:

**Unanimously resolved** to accept the officer recommendation to support the principle of the proposed changes to the JDCC Terms of Reference.

## **Planning Committee**

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REPORT OF: Head of Planning Services

TO: Planning Committee

07/10/2015

WARDS: All

### **CONSULTATION ON REVIEW OF CAMBRIDGE FRINGES JOINT DEVELOPMENT CONTROL COMMITTEE TERMS OF REFERENCE TO DETERMINE CITY DEAL INFRASTRUCTURE SCHEMES**

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#### **1 INTRODUCTION**

- 1.1 In late 2014, as part of the setting up of the Greater Cambridge City Deal Executive Board and agreeing its Terms of Reference, Cambridgeshire County Council (CCC), Cambridge City Council and South Cambridgeshire District Council (SCDC) agreed to delegate exercise of their functions to the Board where these functions relate to achieving the City Deal objectives. This entails the three Councils making any necessary changes to their schemes of delegation across a number of functions, one of which relates to the planning process and the granting of planning consent.
- 1.2. City Deal infrastructure schemes that are not located within the highway will require planning consent in order to be delivered. Legal advice obtained indicates that, where possible, planning decisions should be made across relevant geographical areas, in this case City and SCDC.
- 1.3 It is therefore considered that the most appropriate way to implement this principle is to modify the remit of the Cambridge Fringes Joint Development Committee (JDCC), which includes members from all three partner authorities, to include planning permission for City Deal infrastructure schemes. This will require changes to the existing Terms of Reference for the Committee.
- 1.4. Consultation is therefore being carried out with the three regulatory committees affected by the proposed changes as the first steps in this process; the JDCC, City Planning Committee and SCDC Planning Committee. The JDCC considered a report on the proposed changes on 18 September 2015 and supported the proposals in

principle. The City Council's Planning Committee are now being consulted on the basis that some of the City Deal Infrastructure Schemes would otherwise fall within the remit of the City Council's Planning Committee where elements are located wholly or partly the City Council boundary.

- 1.5. The final agreed version of the JDCC Terms of Reference will need to be formally approved through the three Councils in due course, once consultation with City Council and SCDC Planning Committees and other procedural approval processes have been completed. The timetable for this is set out in Section 3 of the report.

## **2. RECOMMENDATIONS**

- 2.1 To support the principle of the proposed changes to the JDCC Terms of Reference, subject to:
  - a) Consultation with SCDC Planning Committee;
  - b) Endorsement by Cambridgeshire County Council Constitution and Ethics Committee;
  - c) Formal approval through the three Councils.

## **3. BACKGROUND**

- 3.1. In order to ensure the smooth functioning of the Greater Cambridge City Deal governance arrangements and particularly the delivery of the City Deal infrastructure investment programme to a very tight timescale, clarification of delegations from the City Council, CCC and SCDC to the City Deal Executive Board is required. This affects a number of functions, of which the planning process/ the granting of planning consent is one.
- 3.2. City Deal infrastructure schemes that have works that extend beyond the highway boundary or are not within the highway will require planning consent in order to be delivered. For this purpose a City Deal infrastructure scheme is defined as "one arising from the Greater Cambridge City Deal which has all of the following characteristics:
  - i) Has been and remains designated by the Greater Cambridge City Deal Executive Board as a City Deal infrastructure scheme.
  - ii) is or has been funded in whole or in part by the County Council under the auspices of the Greater Cambridge City Deal or allocated from the Greater Cambridge City Deal Executive Board by participating Authorities."

- 3.3. Planning consent for transport schemes promoted by the County Council is considered by its own Planning Committee. However, the County Council has already delegated decisions on County Council applications to the Cambridge Fringes and Northstowe Joint Development Control Committees where applications fall within their respective remits.
- 3.4. Accommodating the decision-making process on planning applications for City Deal infrastructure schemes within the remit of the Cambridge Fringes JDCC will ensure that the decisions are made jointly across the relevant geographical areas, namely Cambridge City Council and SCDC, reflecting local circumstances, ambitions and constraints. The Committee also includes Members from all three partner authorities. This would mean that the schemes would be considered strategically, subject to a single planning process, rather than potentially up to three.
- 3.5. To achieve this, modifications to the existing JDCC Terms of Reference are required (these are indicated as changes in bold type to the existing document in Appendix 2). The Committee would retain its geographical remit, except in the case of City Deal infrastructure schemes when its geographical remit would extend to the whole of Cambridge City and SCDC.
- 3.6. The JDCC considered a report on the proposed changes on 18 September and agreed to support the proposals in principle. The City Council's Planning Committee are now being consulted on the basis that some of the City Deal Infrastructure Schemes would otherwise fall within the remit of the City Council's Planning Committee where elements are located wholly or partly the City Council boundary. This process will then be followed with SCDC Planning Committee, where the same issues apply, followed by the County Council's Constitution and Ethics Committee. Formal approval of the amended JDCC Terms of Reference would then take place through the three Councils. The current timetable for completion of the procedural process is set out below:
- 22 October –City Full Council
  - 4 November –SCDC Planning Committee
  - 17 November –County Council Constitution and Ethics Committee
  - 26 November –SCDC Full Council
  - 15 December –County Full Council

## **4. CONSULTATIONS**

- 4.1. Consultation has been carried out with the Leaders, relevant portfolio holders, Planning Committee Chairs and chief officers within each of the three Councils, as well as the JDCC on 18 September. Further consultation is scheduled to take place with SCDC Planning Committee as set out in Section 3 of this report.
- 4.2. Any further legal advice required will be sought as part of this ongoing process.
- 4.3. Each individual City Deal infrastructure scheme will be subject to the appropriate level of stakeholder and public consultation, both in the lead up to and as part of the planning process.

## **5. OPTIONS**

- 5.1. Careful consideration has been given to the optimum way to have an effective planning process for the City Deal infrastructure schemes, as well as ensuring that the associated planning decisions are made across relevant geographical areas. From both a procedural and legal perspective, this approach is considered to present the best option. It provides a single planning process, using an existing established Committee that contains member representation from all three authorities. The alternative option would be make decisions through individual planning committees within each of the three authorities but this would result in increased administration implications and potential delays through having to take decisions on individual City Deal infrastructure schemes through more than one Committee in many instances.

## **6. CONCLUSIONS**

- 6.1. For the reasons set out in this report, it is recommended that the principle of modifying the JDCC Terms of Reference to accommodate City Deal infrastructure projects, be supported; subject to consultation with SCDC Planning Committee; endorsement of the County Council's Constitution and Ethics Committee; and formal approvals through the three Councils in due course.

## **7. IMPLICATIONS**

### **a) Financial Implications**

Under Annex 3 of the Standing Orders for the JDCC, any associated costs arising from decisions made by the Committee, including associated appeals, are borne jointly by the Councils with voting rights on the specific items that give rise to the costs. For City Deal Infrastructure projects it is proposed that all three Councils would have voting rights on all of these, so any costs arising from Committee decisions and associated appeals would be shared by all three authorities.

b) **Staffing Implications**

There are no additional staffing implications arising from these proposed changes. The administration arrangements for the JDCC would continue as existing.

c) **Equality and Poverty Implications**

An Equality Impact Assessment (EQIA) has not been carried out in respect of these proposed changes. However, where relevant and at the appropriate time, EQIAs would be carried out in respect of individual City Deal infrastructure schemes.

d) **Environmental Implications**

There are no direct environmental implications arising from the proposed changes to the Terms of Reference and therefore this proposal has a NIL climate change rating. However, there will be direct and indirect environmental implications arising from each City Deal infrastructure scheme that will be assessed individually and cumulatively as appropriate.

e) **Procurement**

There are no direct procurement implications arising from these proposed changes. Procurement implications arising from City Deal infrastructure schemes will be addressed separately.

f) **Community Safety**

There are no direct community safety implications arising from these proposed changes. Community safety implications arising from City Deal infrastructure schemes will be addressed separately.

## **LIST OF APPENDICES**

1. Officer briefing note dated September 2015 –Greater Cambridge City Deal –Executive Board Delegations
2. Proposed draft amended JDCC Terms of Reference (Bold changes)

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

None

The author and contact officer for queries on the report is Sharon Brown on 01223 457294.

Report file:

Date originated: 07 October 2015

Date of last revision: 07 October 2015

## Appendix 1

### GREATER CAMBRIDGE CITY DEAL

#### EXECUTIVE BOARD DELEGATIONS – BRIEFING NOTE

##### **Why are we proposing to clarify delegations?**

The Executive Board Terms of Reference, which were agreed by all three Councils in late 2014, includes the following wording in paragraph 4.3, which sets out the scope of the responsibilities delegated to the Greater Cambridge City Deal Executive Board:

*“The three Councils agree to delegate exercise of their functions to the Executive Board to the extent necessary to enable the Board to pursue and achieve the objectives of the Greater Cambridge City Deal and to undertake any actions necessary, incidental or ancillary to achieving those objectives, and, accordingly, the three Councils shall make the necessary changes to their respective schemes of delegation. The Executive Board may further delegate to officers of the three Councils.”*

In order to ensure the smooth functioning of the Greater Cambridge City Deal governance arrangements, and particularly the delivery of the infrastructure investment programme on a very tight timescale, it is considered necessary to clarify the delegations that have been made. It is envisaged that this clarification will avoid confusion around the scope and extent of the delegated authority.

Officers have considered the functions that are intended to be covered in this wording, and have made recommendations in each case for how clarification can best be provided. These functions are:

- Compulsory Purchase Orders (CPOs)
- Grant of Planning Consent
- Side Roads Orders (SROs)
- Traffic Regulation Orders (TROs)
- Transport and Works Act Orders (TWAOs)

##### **Definition of ‘City Deal infrastructure schemes’**

In order to delineate the boundaries of the City Deal Board delegated authority it is necessary to define what is considered to constitute a ‘City Deal infrastructure

scheme'. This definition will then be used to determine which body holds the responsibility for making the decision(s) concerned. The following is suggested to be the most appropriate definition to use:

*“A City Deal infrastructure scheme is one arising from the Greater Cambridge City Deal which has all of the following characteristics:-*

- i. Has been and remains designated by the Greater Cambridge City Deal Executive Board as a City Deal infrastructure scheme.*
- ii. Is, or has been funded in whole or in part by funds received by the County Council under the auspices of the Greater Cambridge City Deal or allocated to the Greater Cambridge City Deal Executive Board by participating Authorities.”*

### **Compulsory Purchase Orders**

A CPO is a legal instrument that allows certain bodies (including the partner Councils) to purchase land without the owner's consent. It can be enforced if it is considered necessary in order to deliver public benefit, and can be particularly pertinent for transport infrastructure schemes. It is normal practice to seek CPOs on a contingency basis in parallel with negotiations with landowners to avoid delays to projects. Some City Deal infrastructure schemes will require the use of CPO powers in order to deliver the wider benefits that are expected to be associated with those schemes.

For the purposes of the City Deal, it is the County Council's CPO powers that are most important. Outside of the City Deal arrangements, the County Council's CPO powers are vested in the Economy & Environment Committee, which takes responsibility for promoting and exercising CPOs. The final decision to grant a CPO rests with the Secretary of State.

The decision made by the County Council to delegate responsibilities to the Executive Board is considered to include the power to promote and exercise CPO powers for City Deal infrastructure schemes in Cambridge City and South Cambridgeshire. To ensure that there is clarity around the processes involved in delivering the City Deal infrastructure programme, it is recommended that the County Council's CPO powers are confirmed as being delegated to the Executive Board.

### **Planning consent**

City Deal infrastructure schemes that are not within the highway will require planning consent in order to be delivered. Planning consent for transport schemes promoted by the County Council is considered by the County Council's Planning Committee,

however the County Council has already delegated decisions on County Council applications to the Cambridge Fringes and Northstowe Joint Development Control Committees where applications fall within their respective remits.

Legal advice suggests that planning decisions should where possible be made across the relevant geography – in this case Cambridge City and South Cambridgeshire. By doing so, it is possible to ensure that planning decisions most accurately reflect local circumstances, ambitions and constraints. It is therefore recommended that the most appropriate way to implement this principle would be to modify the remit of the Cambridge Fringes Joint Development Control Committee, which includes Members from all three partner Councils, to include planning permission for City Deal infrastructure schemes. This would mean that these schemes can be subject to one single planning process, rather than potentially up to three. This would mean that this Committee retains its geographical coverage, except in the case of City Deal infrastructure schemes when its geographical coverage extends to the whole area of Cambridge City and South Cambridgeshire. Short of creating a new Committee, this is considered to be the most appropriate available option.

### **Side Roads Orders**

An SRO is an instrument established under the Highways Act 1980 that allows a Highway Authority (in the local context this refers to the County Council) to alter roads or other highways affected by a major transport infrastructure scheme. This deals with roads that are not specifically along the alignment of the scheme, but are impacted by and/or impact upon the scheme. It is likely to be the case that SROs are required for several City Deal infrastructure schemes. As with CPOs, the County Council acts as the promoter for SROs but the decision to grant these rests with the Secretary of State.

Outside of the City Deal arrangements, the responsibility for promoting SROs rests with the County Council's Economy & Environment Committee. The delegation made to the Executive Board though means that this responsibility, where it relates to a City Deal infrastructure scheme, has been delegated to the Executive Board. It is recommended that this is explicitly confirmed by the County Council.

### **Traffic Regulation Orders**

TROs, established under the Road Traffic Regulation Act 1984, are legal instruments relating to the use of highways. They are designed to regulate, restrict or prohibit the use of roads by vehicles or pedestrians (as appropriate). There is a statutory requirement to undertake a public consultation where a TRO is needed, with the

outcome of that consultation being considered by Members when the decision is made on whether or not to grant a TRO.

General speaking, any major transport infrastructure scheme that includes the public highway will require at least one TRO. This is expected to be the case for most, if not all, City Deal infrastructure schemes.

Outside of the City Deal arrangements, decisions relating to TROs are made by either the County Council's Highways & Community Infrastructure Committee or the Cambridge Joint Area Committee. These Committees decide upon objections to TROs following public consultations. The Cambridge Joint Area Committee considers these when they are referred by the relevant Member or officer under the County Council's Scheme of Delegation – otherwise the Highways & Community Infrastructure Committee is the decision maker.

The delegations made to the Executive Board are considered to include the power to make decisions regarding TROs when they relate to City Deal infrastructure schemes, including considering the outcomes of public consultations. However, to ensure that the processes around the delivery of the City Deal infrastructure programme are clear, it is recommended that the County Council confirms explicitly that this delegation has been made.

### **Transport and Works Act Orders**

The Transport and Works Act 1992 established TWAOs as the default means of authorising the creation of a new railway, tramway or guided busway scheme, except for "nationally significant rail schemes in England". TWAOs can include within them TROs, CPOs and deemed planning consent. The County Council has the power to promote a TWAO, whilst the decision to grant a TWAO rests with the Secretary of State. As the prioritised City Deal infrastructure schemes are being developed at the moment, it is unclear if the final proposals for those schemes would require the granting of a TWAO.

The delegation made to the Executive Board is considered to include the responsibility for promoting TWAOs for City Deal infrastructure schemes. It is recommended that the County Council explicitly confirms that this delegation has been made.

## **TERMS OF REFERENCE FOR JOINT DEVELOPMENT CONTROL COMMITTEE CAMBRIDGE FRINGES**

### **1. Parties:**

Cambridge City Council  
Cambridgeshire County Council]  
South Cambridgeshire District Council  
(‘the Councils’)

### **2. Status:**

The Joint Development Control Committee (‘the Committee’) is a joint committee formed by resolutions of the Councils pursuant to section 101(5), Local Government Act, 1972.

### **3. Membership:**

6 Members appointed by Cambridge City Council  
4 Members appointed by Cambridgeshire County Council  
6 Members appointed by South Cambridgeshire District Council

### **4. Terms of reference:**

- 4.1 The Committee’s remit is to discharge the functions (‘the functions’) set out in Appendix 1, the exercise of which have been delegated to the Committee by the parties, subject to the limitation in paragraph 4.2.
- 4.2 The Committee shall discharge the functions in respect of major developments<sup>1</sup> and related applications falling wholly or substantially within the areas shown edged in blue on the plans forming Appendix 3 and ancillary developments relating to such Major Developments

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<sup>1</sup> A major development is defined by reference to Article 1 of the Town and Country Planning (General Development Procedure) Order 1995 as in force on 1 March 2010 or as subsequently amended or replaced and means development including any one or more of the following:

- (a) the mining and working of minerals
- (b) waste development;
- (c) the provision of dwelling-houses where
  - (i) the number of dwelling-houses to be provided is 10 or more; or
  - (ii) the development is to be carried out on a site having an area of 0.5 hectares or more and it is not known whether the development falls within paragraph (c)(i);
- (d) the provision of a building or buildings where the floor space to be created by the development is 1,000 square metres or more; or
- (e) development carried out on a site having an area of 1 hectare or more.

referred to it by the relevant Head of Planning of the Council issuing the consent for the Major Development in question **and**

a) In respect of “City Deal Infrastructure schemes” referred to it by the relevant Head of Planning of the Council issuing the consent for the City Deal Infrastructure scheme in question. A “City Deal Infrastructure scheme” is defined as a project arising from the Greater Cambridge City Deal which has all of the following characteristics:-

- has been and remains designated by the Greater Cambridge City Deal Executive Board as a City Deal Infrastructure scheme; and
- is, or has been funded in whole or in part by funds received by Cambridgeshire County Council under the auspices of the Greater Cambridge City Deal or allocated to the Greater Cambridge City Deal Executive Board by participating authorities.

4.3 The Committee may exercise the subsidiary powers authorised pursuant to section 111, Local Government Act 1972 in connection with the discharge of the functions.

4.4 The Committee may exercise the powers of delegation contained in section 101(2), Local Government Act 1972.

4.5 All members shall be entitled to vote on the following applications: Trumpington Meadows; Cambridge Northern Fringe East; Cambridge East; Northwest Cambridge including all of the NIAB site; Glebe Farm; **City Deal infrastructure schemes**. Only the City and County members shall be entitled to vote on Clay Farm-Showground and Bell School.

## **5. Standing Orders**

5.1 The Committee shall be governed by the Standing Orders set out in Appendix 2, as amended from time to time.

## **6. Administration**

6.1 The Party which is the local planning authority shall receive applications in the usual way and shall be responsible for all consequential administration.

6.2 Cambridge City Council’s staff shall be responsible for all matters connected with the administration of the Committee, including the preparation and dispatch of agendas and securing premises at which the committee may meet. Decision notices shall be signed by the Director of Joint Planning.

6.3 Costs shall be shared in accordance with the Cost Sharing Protocol set out in Annex C to the Standing Orders.

DRAFT

## Appendix 1

### FUNCTIONS OF THE COMMITTEE

1. The exercise of each of the Councils' powers and duties in relation to development control on Major Developments, ancillary developments and related applications and requests, Reserved Matters applications and **City Deal infrastructure schemes** including but not limited to:

- i) the determination of planning applications by virtue of Regulation 3 of the Town and Country Planning General Regulations 1992.
- ii) the power to approve authorise and direct the respective Councils to negotiate and enter into agreements regulating the development or use of land pursuant to S106 of the Town and Country Planning Act 1990.

2. The review, change, amendment or modification of the scheme of delegation to Officers.

-



**Are you a Cambridge business looking to grow greener?  
Access funding to become more eco-friendly and save money!**

For the first time ever, not-for-profit organisation Investors in the Environment (iiE) Consultancy is working together with Cambridge City Council to offer eligible businesses in the city the opportunity to receive up to £750 in match funding to improve their eco credentials and save over £90,000 for the year.

iiE Consultancy has over 15 years' experience in helping clients reduce their environmental impacts and increase profits. The organisation delivers high quality environmental consultancy services and works alongside its clients to help them deliver their green goals.

The organisation is now offering 15 eligible businesses the opportunity to receive up to £750 in match funding to help improve their eco credentials. Businesses will have the chance to use the full hub of iiE Consultancy's services, which include Environmental Management System support, resource efficiency auditing, feasibility studies and support and advice for project financing and grant funding.

Kim Coley, Commercial Executive explains: "The project enables businesses to not only gain better environmental credentials, but it also acts as a cost saving scheme that is tailored to the needs of your business. Don't miss taking advantage of this great offer – in the last year alone we have saved businesses a total of £300,000!"

Whether you are looking to progress your eco status, provide environmental training for staff or simply cut costs, this project is suited to your business needs. Plus if your company uses iiE Consultancy services, you can receive half price Investors in the Environment membership to gain accreditation and a recognised eco stamp of approval to promote your green credentials.

Get in touch to see how we can help your organisation. Call Andrew Jackson or Kim Coley on 01733 866436 or email [info@iie.uk.com](mailto:info@iie.uk.com). For further details visit [www.iie.uk.com](http://www.iie.uk.com).

**Notes to Editor**

iiE Consultancy was a not-for-profit scheme launched by PECT, an independent environmental charity that delivers a range of projects and initiatives working with communities, schools, businesses, local authorities and voluntary organisations.

**For press enquiries please contact:**

Laura Fanthorpe, Marketing and Communications Manager at PECT, on 01733 866435 or email [laura.fanthorpe@pect.org.uk](mailto:laura.fanthorpe@pect.org.uk). For further details about PECT visit [www.pect.org.uk](http://www.pect.org.uk).

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## Are you a Cambridge-based business?

Discover how to improve your environmental credentials and save money

### Investors in the Environment (iIE) Consultancy

The not-for-profit organisation Investors in the Environment (iIE) Consultancy has over 15 years' experience in helping clients reduce their environmental impacts and increase profits. We deliver high quality environmental consultancy services and work alongside our clients to help them deliver their environmental goals.

Whether you want to cut costs, improve your reputation, comply with legislation or raise the awareness of your staff, iIE Consultancy can help.

- ✔ Environmental Management System support.
- ✔ Resource efficiency auditing.
- ✔ Feasibility Studies.
- ✔ Project financing and grant support and advice.
- ✔ **PLUS** – Receive half price Investors in the Environment accreditation and a recognised eco stamp of approval with which to promote your green credentials.

### Don't miss this exclusive offer!

For the first time ever iIE Consultancy, working alongside Cambridge City Council, is running a funded project in Cambridge. 15 eligible businesses will be selected to receive up to £750 in match funding for improving their eco credentials.

**Our support saves businesses on average £7,000 per year.**

**Last year alone we saved businesses a total of £300,000!**



## Examples of our successes

**“The networking and promotional possibilities within iIE are brilliant!”**

Robert Buck  
IKEA Distribution

Name **Park Acre Enterprises Ltd**  
Location **Hemswell Cliff, Lincolnshire**  
Sector **Manufacturing**

-  Saved £18,000 and 90 tonnes of carbon per annum by installing LED lighting at the site as well as adjusting thermostats, installing flush bags in toilets and engaging staff in resource efficiency measures.
-  Received environmental legislation compliance advice, reducing the risk of fines and reputational damage.
-  Received one to one support and training to design and implement an Environmental Management System (EMS) to the ISO14001 standard.

Name **Cross Keys Homes**  
Location **Peterborough, Cambridgeshire**  
Sector **Housing Association/Care Services**

-  Reduced gas usage by 65%, saving over £20,000.
-  Installed PV panels on 4,000 homes, saving each tenant up to £500 off their energy bills per year.



## Key stats

### Ashbury Chocolates (M&S suppliers)

-  In 2014 diverted 750 tonnes of waste from landfill.

### IKEA Distribution

-  Achieved Zero Waste to landfill status.

### Queensgate Shopping Centre

-  Reduced energy consumption by 45% over the last five years.

### Kitchen Range Foods

-  Recycled 69 tonnes of used vegetable oil into biodiesel to be used in waste collection vehicles

### Prince Energy

-  Recycled over 90% of their waste in the last year.



### Find out more

Get in touch to see how we can help your organisation improve its environmental credentials and save money. Call Andrew Jackson on **01733 866436** or email [info@iie.uk.com](mailto:info@iie.uk.com).

For further details visit [www.iie.uk.com](http://www.iie.uk.com).

## **Briefing Note for Full Council Meeting 22 October 2015** **Notice of Motion 7e: Trade Union Bill**

### **The Motion**

This Council:

Notes with concern the Trade Union Bill which is currently being proposed by the Government and which would affect this Council's relationship with our trade unions and our workforce as a whole.

Rejects this Bill's attack on local democracy and the attack on our right to manage our own affairs.

Is clear that facility time, negotiated and agreed by us and our trade unions to suit our own specific needs, has a valuable role to play in the creation of good quality, responsive local services. Facility time should not be determined or controlled by Government in London.

Is pleased with the arrangements we currently have in place for deducting trade union membership subscriptions through our payroll. We see this as an important part of our positive industrial relations and a cheap and easy to administer system that supports our staff. This system is an administrative matter for the Council and should not be interfered with by the UK Government.

This Council therefore resolves to:

- Support the campaign against the unnecessary, antidemocratic and bureaucratic Trade Union Bill.
- To continue its own locally agreed industrial relations strategy and will take every measure possible to maintain its autonomy with regard to facility time and the continuing use of check-off.

### **Briefing Information on the Trade Union Bill**

The Government has published a Trade Union Bill (the Bill), which sets out various reforms to the law regulating trade unions, the main ones applying to:

- industrial action ballots (including ballot participation thresholds);
- industrial action notices and the length of ballot mandates;
- picketing; and
- the contribution to political funds from union members.

The Bill also contains provisions enabling legislation to be made on facility time for trade union officials in the public sector and the powers of the Certification Officer. The Government is also consulting on various aspects of the Bill in three separate consultation documents;

- Ballot thresholds in important public services (introducing ballot thresholds in designated public services, the consultation includes which services)

<https://www.gov.uk/government/consultations/ballot-thresholds-in-important-public-services>

- Hiring agency staff during strike action (removing the prohibition on employment agencies providing agency workers during strike action).

<https://www.gov.uk/government/consultations/hiring-agency-staff-during-strike-action-reforming-regulation>

- Tackling intimidation of non-striking workers (appointing a picket supervisor, changes to the Code of Practice on picketing, intimidation and publishing picket plans).

<https://www.gov.uk/government/consultations/tackling-intimidation-of-non-striking-workers>

## **Industrial action ballot thresholds**

At present, there is no threshold requirement for industrial action ballots. A simple majority of votes cast in favour of taking industrial action is required.

The Bill will require at least 50% of those who were entitled to vote in the ballot, to do so. In addition, where the majority of those who were entitled to vote in the ballot are normally engaged in providing important public services or activities that are ancillary to the provision of those services then at least 40% of those who were entitled to vote in the ballot must vote 'yes' to the industrial action proposed.

For example, if 100 employees are entitled to vote, and the majority of them are engaged in important public services or ancillary activities, and 50 of them vote, then 40 of those that vote, must vote yes.

The Bill provides that further regulations may only specify that important public services fall within the following categories:

- health services;
- education of those aged under 17;
- fire services;
- transport services;

- decommissioning of nuclear installations and management of radioactive waste and spent fuel; and
- border services.

### **Information on the ballot voting paper and Information to union members on ballot results**

The Bill sets out new requirements for the ballot voting paper to include:

- where the paper concerns action short of a strike, the type or types of such industrial action proposed; and
- the period or periods within which the industrial action or, where relevant each type of industrial action, is expected to take place.
- a “reasonably detailed” indication of the matter or matters in the trade dispute to which the proposed industrial action relates;

The current requirement on ballot results is that the union has to tell all persons entitled to vote in the ballot the number of:

- votes cast in the ballot;
- individuals answering “Yes” to the question, or as the case may be, to each question;
- individuals answering “No” to the question, or, as the case may be, to each question;
- spoiled voting papers.

In addition to this requirement, the Bill will introduce a requirement that the individuals are also told:

- the number of individuals who were entitled to vote;
- whether the number of votes casts is at least 50% of those entitled to vote; and
- where the “important public services” requirements apply, whether the number of those answering ‘Yes’ to the question(s) is at least 40% of those entitled to vote.

### **Industrial action: notice to employers**

The amount of notice the trade union has to give employers of industrial action will be increased from 7 days to 14 days.

### **Expiry of ballot mandate**

At present the normal position is that provided the industrial action starts within four weeks of the close of the ballot (or eight weeks if the employer agrees), that ballot can be relied upon for industrial action for as long as the trade dispute that is the subject of the ballot continues. Accordingly, there is no absolute limit on the period for which such action can be taken on a continuous or discontinuous basis.

The Bill will introduce a new four-month time limit, meaning a ballot will only be valid for and mandate industrial action that takes place within four months beginning with the date of the ballot (i.e. the date the ballot closes).

This change will only apply to ballots that open on or after the day the Bill comes into force so will not apply to ballots and valid industrial action commenced before that date.

## **Picketing**

There is a separate consultation document on “tackling the intimidation of non-striking workers”, particularly in relation to picketing. The proposal is to make the current recommendation in the Code of Practice for picketing supervisors into a legal requirement, as well as the requirement that unions will have to publish their picketing plans.

The current position is that for picketing to be lawful and so not actionable in tort it must be in contemplation or furtherance of a trade dispute and consist only of peacefully obtaining or communicating information, or peacefully persuading any person to work or abstain from working. It must also take place at or near the picket's place of work and must not involve any other breach of the civil law, such as trespass or nuisance.

There is also a statutory Code of Practice on Picketing (the Code) setting out information on what constitutes lawful picketing, alongside good practice. The Code does not of itself impose any legal obligations, but its contents may be taken into account in relevant legal proceedings.

One of the recommendations in the Code is that a trade union official should always be in charge of picket lines and, amongst other factors, be readily identifiable and be familiar with the Code.

The Bill will make many of those recommendations legally enforceable through a requirement that the trade union must appoint a union official who is “familiar” with the Code to supervise the picket (“the picket supervisor”), for the union to take reasonable steps to inform the police of the supervisor's name and to issue a letter of authorisation.

Also included is the requirement that while picketing takes place, the supervisor must be present or be readily contactable by the union and the police and be able to attend at short notice. The supervisor will also have to wear a badge or armband or other item readily identifying them as being the picket supervisor.

## **Union political funds**

The Bill contains various provisions concerning trade union political funds, the main one being a provision that will require the ‘opt-in’ of union members to any trade union political fund, by way of an opt-in notice procedure.

## **Trade union officials facility time**

The Bill contains a power under which regulations will be able to be made requiring public sector employers to publish certain information related to facility time provided to trade union officials, including learning representatives and safety representatives.

Facility time means the various legislative rights to time off to perform union activities.

The information required may include in particular:

- how many of the employer's employees are union officials;
  - the total amount spent by the employer in a specified period on paying trade union officials for facility time, and the percentage of the employer's total pay bill that amount represents;
  - the percentage of the aggregate amount of facility time in a specified period that applies to the different categories of facility time that are permitted under legislation; and
  - information relating to the facilities provided by the employer to the union officials.
- The Bill also includes a power to make regulations that could set a limit in public sector employers on:
- the amount of working time that may be paid facility time, calculated on a percentage basis; and
  - the percentage of an employer's total pay bill that can be spent on paying for facility time.

### **An overview of the Trade Union Bill in relation to facility time:**

- A requirement to publish data on trade union facility time including; number of representatives, percentage of time and information on spend
- The Bill makes way for future regulations (reserve powers) to set a cap on paid time off linked to the pay bill or the representative's working time

The anticipated steps in relation to facility time appear to be a requirement to publish data, that this published data will be reviewed, there will be an opportunity for the relevant employers to voluntarily make changes to facility time and where determined by the Government there will be limits to categories of employer rather than individual employers. There is the possibility of the application of the cap having retrospective effect but the details are not set out.

### **Cambridge City Council Published Data on Trade Union Facility Time**

We currently publish data on trade union facility time on the Council's website. This is a requirement of the Open Data - Local Government Transparency Code. We are required to publish this data in a prescribed format, including:

- Total representatives
- Full Time Equivalent (FTE) representatives
- Total representative majority count (representatives who spend a majority of their time on trade union facility time)
- Total estimate spend (amount)
- Relative estimate spend (percentage).

<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/TU%20Facility%20time.pdf>

Cambridge City Council has two centrally funded Branch Secretary posts, one Unison and one GMB. Both roles are full time equivalents.

### **Ending of Trade Union Subscriptions via payroll deduction (public sector)**

There is a Government intention to end the ability of trade union members in the public sector to pay their trade union subscription through their employers' payroll.

This is not in the draft Trade Union Bill but was stated in a Cabinet Office press release in August 2015, as the Government's intention to introduce it with the Trade Union Bill.

Cambridge City Council currently provides this facility for staff.

Deborah Simpson  
Head of Human Resources  
October 2015

Extracts taken from:  
LGA Advisory Bulletin No.627  
Cabinet Office Press release 6 August 2015  
Trade Union Bill 2015 and consultation papers.



# **CAMBRIDGE** CITY COUNCIL

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## **INFORMATION PACK**

### **PACK - INFO PACK FOR COUNCIL**

**Date:** Thursday, 22 October 2015

- 1 SEATING PLAN** *(Pages 3 - 4)*
- 2 AMENDMENT TO MOTION 7D: CLIMATE CHANGE** *(Pages 5 - 8)*
- 3 ORAL QUESTIONS (AGENDA ITEM 6)** *(Pages 9 - 14)*
- 4 BRIEFING NOTE TO MOTION ITEM 7B** *(Pages 15 - 26)*

- 5 **AMENDMENT TO MOTION 7B: PROMOTION OF LOCAL DEMOCRACY**  
*(Pages 27 - 28)*
- 6 **AMENDMENT TO MOTION 7C: CITY OF SANCTUARY** *(Pages 29 - 30)*
- 7 **WRITTEN QUESTIONS (AGENDA ITEM 8)** *(Pages 31 - 40)*



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Amendment: Proposed by Councillor Gehring (Additional text underlined and in red)

Motion Item 7d: Climate Change

Cambridge City Council notes:

- The risk to both the planet and Cambridge from Climate Change, and this council's commitment to tackle the issue, as expressed both by its Climate Change Strategy, which is currently being reviewed, and its role as a signatory to the Nottingham Declaration.
- The need to show leadership in advocating a fossil-fuel free future, both in terms of the council's own policies, including its investments, and external engagement.
- The growing number of commercial, educational and governmental organisations deciding to support low carbon investment, such as:
  - Bristol Council's decision to alter its investment policy to exclude companies whose core activities cover fossil fuel extraction.
  - The Norwegian Government's decision to divest from fossil fuel investment in its pension fund.
  - The over 150 companies, including Hewlet-Packard, BT Group & Volvo who have signed up to the "We mean business" coalition's aims.
- That the Law Commission reviewed the meaning of fiduciary duty as it applies to investments in 2014, concluding that "Where trustees think ethical or environmental, social or governance (ESG) issues are financially material they should take them into account."
- That there is nonetheless a risk for this Council in any non-financial considerations in investment policy, and therefore before any such change, the implications should be studied and considered carefully.
- That the University of Cambridge have this year launched a wide ranging report into its £2.2bn endowments fund.

Cambridge City Council therefore resolves:

- To ask the Head of Finance to author a report to Strategy and Resources committee outlining the options for, as well as the risks

associated with, the implementation of an ethical investment policy, in relation to both direct investments and our Treasury Management strategy, with a particular emphasis on the issues of companies that are associated with investments in fossil fuels, and fossil fuel disinvestment.

- To ask the Executive Councillor:
  - a) To ensure that commercial property investments are taken with close regard to Climate Change criteria, in such a way as to preclude investment in carbon intensive buildings and favour investment in properties that are carbon neutral or positive or at least have a high EPC rating (A-C).
  - b) To study the energy and carbon status of existing City Council commercial properties and consider investment in energy efficiency upgrades or, if that is not practical, divestment from under-performing properties.
  - c) To study, jointly with the County Council or independently, positive investment into a local not-for-profit renewable energy provider, similar to Robin Hood Energy in Nottingham, to address fuel poverty and climate change as a joint social justice concern.
- To engage with local businesses and community groups, including Fossil Free Cambridgeshire, Cambridge Carbon Footprint and Transition Cambridge, during the forthcoming Climate Change Strategy consultation in order to explore the potential for supporting the move to a fossil fuel free future.
- To call on Cambridgeshire County Council to consider an ethical investment policy and disinvestment from fossil fuels.
- To call on the Cambridgeshire Pension Fund to consider an ethical investment policy and disinvestment from fossil fuels.
- To call on the national U.K. government to stop carrying out policies that harm the fight against climate change (such as recent changes to Feed-In Tariffs and other subsidies for green energy, changes to planning policy, and cuts to Green Deal Finance), support the principles of fossil fuel divestment and stopping subsidies to the fossil fuel industry, and advocate for all other countries to commit to this during the COP21 global climate change negotiations later this year.
- To direct the Chief Executive to write to the University group asking them to share the conclusions of their review as and when they are available, so that the Head of Finance and the Pension Fund can consider this work in their reviews.

- To urge the Leader and Executive Cllr for Finance and Resources to prepare the City Council's own statement of support for climate action and publish this at the time of COP21.

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## **Agenda Item 6: Oral Questions**

### **1) Councillor Markus Gehring to the Leader**

How will the results of the City Deal consultation on the Camborne to Cambridge Bus Route be evaluated?

### **2) Councillor Abbott to the Executive Councillor for Finance and Resources**

Can the Executive Councillor for provide an update on the council's current work on digital inclusion, undertaken as part of the anti-poverty strategy?

### **3) Councillor Holt to the Leader**

Many residents particularly students in my ward and across the city are very concerned about the county councils proposals to switch off the street lights at night - will the leader confirm that this will not happen if the majority of people in the city don't want it to?

### **4) Councillor Sarris (Lead Councillor for Homelessness) to the Executive Councillor for Environment and Waste**

In light of the 'Microchipping of Dogs (England) Regulations 2014' requiring all dogs over 8 weeks old to be microchipped by April 2016, can the Executive Councillor for Environment and Waste please tell the chamber what specific outreach work will be done by the council's dog warden team to assist dog-owners in the homeless community?

### **5) Councillor Perry (Lead Councillor for Recycling) to the Executive Councillor for Environment and Waste**

It is important that we do all we can to encourage recycling and limit waste, can the Executive Councillor for Environment and Waste please confirm that a campaign to remove unauthorised second black bins will continue for the year ahead?

**6) Councillor O'Connell to the Executive Councillor for Communities**

Can the executive Councillor for Communities tell the council what action he is taking to ensure community services are targeted at the most in need areas in the city, as identified in the recently-published indices of multiple deprivation?

**7) Councillor Cantrill to the Executive Councillor for Environment and Waste.**

Could the Executive Councillor for environment and Waste explain the current approach of the city council to street cleaning and litter bin emptying in the historic core?

**8) Councillor Bick to the Executive Councillor for City Centre and Public Place**

The Executive Councillor may not be aware that her current plan to replace the cast iron lighting columns in the Kite with modern 'heritage style' columns will omit Victoria Street. The only reason that Victoria Street has no cast iron columns today is that in March last year Balfour Beatty prematurely replaced the 3 columns there with their standard design prior to consultations being completed, for which they subsequently apologised. In view of this, will she undertake discussions with Balfour Beatty to determine whether there is scope to review the placement of columns in Victoria Street within the existing approved budget allocation, £6,000 of which is currently projected to be unused, so that work can be carried out within the same timeframe as the other streets involved?

**9) Councillor Ratcliffe to Executive Councillor for Environment and Waste:**

Please provide an update on the amount of fixed penalty notices issued for littering in the last year?

**10) Councillor Austin to the Executive Councillor for City Centre and Public Place**

In light of the planned consultation of the review of the river moorings policy, can your assurance be given to boat owners who have been living on the river in the city for many years that they can continue to live as part of their riverboat community.

**11) Councillor Smith to the Executive Councillor of Finance and Resources**

Can the Executive Cllr for Finance and Resources update us on preparations for Living Wage Week, and on how promotion of the Living Wage is proceeding?

**12) Councillor Pitt to the Executive Councillor for Environment and Waste**

Can the executive councillor give an update on arrangements and expected impact on staff affected by the move of waste services to Waterbeach?

**13) Councillor C Smart to the Executive Councillor for Planning Policy and Transport.**

Seeing that Stage 2 of the 20 mph roll-out was agreed on 8th July 2014 and the combined Stages 3 and 4 were agreed 17th March 2015, can the Executive Councillor tell us when anything will actually happen?

**14) Councillor Todd-Jones to the Executive Councillor for Communities**

Can the Executive Councillor for Communities confirm that, contrary to opposition claims, the primary focus of the review into the Council's Community provision is in ensuring its resources are appropriately targeted and go to where it is most needed in the City?

**15) Councillor Hart to the Executive Councillor of Finance and Resources**

Please could the Executive Councillor for Finance and Resources give us an update on the outreach Citizens Advice Bureau project at the East Barnwell Health Centre, funded by the City Council?

**16) Councillor Sinnott to the Executive Councillor for Strategy and Transformation (The Leader)**

What is the current County Council position on the proposed switch-off of Cambridge streetlights and how and when will they undertake the public consultation they promised a month ago?

**17) Councillor Baigent to the Executive Councillor for Housing**

Can the Executive Councillor for Housing explain how the Housing Bill, published on Tuesday 13th October will impact this Council's Housing Revenue Account and its ability to continue meeting the needs of current tenants and those on the housing needs register in Cambridge?

**18) Councillor M Smart to the Executive Councillor for Environment and Waste**

Please will the Executive Councillor for Environment and Waste explain to councillors recent changes to our waste HGV's and driver training aimed at helping city cyclists?

**19) Councillor Pippas to the Executive Councillor for Environment and Waste.**

According to local residents the Council has been taking away any 2<sup>nd</sup> dustbin with a black top from people's homes without any prior warning. Some residents claim they have "bought" the second bin from the council some years ago. They are distraught that no prior warning was given of the council's intention.

What measures the Executive Councillor for Environment and Waste will put in place to ensure that the residents are fully informed prior to confiscating these bins?

## **20) Councillor Gillespie to the Executive Councillor for Finance and Resources**

I recommend the Wealth and Want report by the Cambridge Commons, to the council. (I will send a link by email to it [http://www.thecambridgecommons.org/tcc/reports/fairness\\_review/2015/tcc\\_fairness\\_review\\_201506.pdf](http://www.thecambridgecommons.org/tcc/reports/fairness_review/2015/tcc_fairness_review_201506.pdf) before the meeting). You may have read about it in the Cambridge News at the weekend. As well as a survey providing extensive information about gross inequality in the city, it provides a list of urgent recommendations. The Labour group says that tackling inequality is its top priority. The council is doing tremendous work on the living wage; this report recommends a Cambridge Supplement. The need for a review of investment priorities in benefits advice and advocacy is important. Will the executive councillor for finance commit to publish a step by step response to the recommendations, to be published within 2015?

## **21) Councillor Hipkin to the Executive Councillor for Environment and Waste**

Student Housing Blocks – waste disposal costs

Students living in Halls of Residences (e.g. Chestnut House, Histon/Huntingdon Rd, CB4) are exempt from the payment of Council Tax. Does the City Council receive any recompense for this loss of revenue and if not, who is bearing the cost of waste disposal and other council-provided services?

## **Second Questions**

### **23) Councillor Todd-Jones to the Executive Councillor for Communities**

Can the Executive Councillor for Communities update Council on the Plans for next year's Volunteer for Cambridge Community Fair at the Guildhall, building on from the success of the inaugural event in February.

### **22) Councillor Perry to the Executive Councillor for Finance and Resources**

Can the Executive Councillor for Finance and Resources provide an update on the future of Action on Energy Cambridgeshire in light of Climate Energy Ltd going into administration?

### **24) Councillor Baigent to the Executive Councillor for Housing**

Does the Executive Councillor for Housing consider that 'starter homes' as described in the housing bill should be included in the definition of affordable housing on S106 sites?

## **Briefing Note for Full Council, 22<sup>nd</sup> October 2015**

### **Motion B: Promotion of Local Democracy**

#### **Approaches to engaging the public in policy making and decision-making within Cambridge City Council**

##### **Introduction**

Cambridge City Council engages members of the public and other stakeholders in policy making and decision making in a range of ways. Collectively these are termed “consultation”, the process by which the Council will seek advice, information and opinions about strategies, policies and services to inform our decision-making and help design good services.

Consultation may include, for example:

- Surveys and Questionnaires;
- Focus groups;
- Through the [complaints and compliments](#) we receive;
- Public meetings including area committees, Council & committee meetings; and
- User and resident forums.

Different techniques will be appropriate in different circumstances. Consultation is a key process in community engagement and is integral to the way the Council carries out its business.

Consultation matters because it establishes working relationships between the Council and its residents and local community groups – to help ensure that that the aspirations and needs of local people are understood and, if possible, acted upon.

The Council’s approach to consultation is shown in its [Code of Best Practice on Consultation and Community Engagement](#). It emphasises that consultations should be open, transparent, inclusive and carried out competently to ensure results are valid. They should take place at an early stage – part of the evidence gathering process – giving enough information about what can and can’t be changed and allowing time for proper consideration. They must also relate to decisions – so the consultations findings are taken into account when it is decided what will be done.

In some cases the Council has a statutory duty to consult and guidance is provided to show how this will be done, for example we are required to provide a Statement of Community Involvement showing how we have consulted about our developing Local Plan. On some occasions market research companies are used by the Council where there needs to a robust statistical basis for findings.

The purpose of a consultation, along with its context, will help determine the techniques used and help identify the people who need to be involved. Consultations can include: discussing priorities in a policy framework, altering the level of service provided, helping to target a service more closely, improving take-up, assessing satisfaction with delivery, identifying problems associated with change and building community capacity to bring about change.

Because consultation is integral to the way the Council works it is difficult to pull out the cost of certain consultations, as it is a part of what is done, for example a community development officer will talk to local groups of people regularly, encouraging participation in local activities or building-up their capacity to do things for themselves.

Some of the consultation techniques the Council use are shown in Appendix 1. The figures in the attached table are estimates in a number of cases and may not show the full cost of officer time involved.

#### **Consultations in the last 12 months:**

- [Have your say on our draft Cambridgeshire Flood and Water Supplementary Planning Document](#)
- [Answer a few questions about our revised lettings policy](#)
- [Have your say on our draft New Museums Site Development Framework SPD](#)
- [Have your say on our revised Statement of Principles \(under the Gambling Act 2005\)](#)
- [Have your say on our draft Housing Strategy 2016-2019](#)
- [Green Dragon Bridge - footway and cycling improvements](#)
- [Root and branch consultation on city trees](#)
- [Consultation on how we carry out enforcement action](#)
- [St Thomas's Square play area consultation - revised design](#)
- [St Thomas's Square play area consultation](#)
- [Chestnut Grove play area consultation](#)
- [Perse Way play area consultation](#)
- [Cherry Hinton High Street improvements consultation](#)
- [Single Equality Scheme 2015 - 2018 consultation](#)
- [Grand Arcade early bird parking scheme survey](#)
- [Public Spaces Protection Order consultation](#)
- [Equalities evidence base consultation 2015](#)
- [Trumpington community centre cafe survey](#)
- [Bramblefields pathway consultation](#)
- [Cambridge Northern Fringe East area action plan: Issues and options consultation](#)
- [20mph speed limit: South, west and central phase consultation](#)
- [Changes to taxi licensing fees consultation](#)
- [Proposed new charges for city centre car parks consultation](#)
- [Medical assessments for taxi drivers consultation](#)
- [Cambridge Rules public art commission consultation](#)
- [Change of taxi ownership fee consultation](#)
- [Pye's recreation ground outdoor gym consultation](#)

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
Open Forum within Area Committee meetings	Opportunity for local people to raise matters of concern about local issues. May not relate to the agenda. Based on a question and answer approach.	During 2014/15 nearly <b>500</b> people attended 25 Area Committee meetings.	£53,500  This is the total cost of all area committee meetings. Costs include one FTE Committee Manager, audio, printing, delivery and hall hire.	Research into how other local authorities increased participation in decision-making was carried out during 2010-11. It revealed diverse approaches.
Single issue forums based on local matters of interest within Area Committee meetings	Part of an Area Committee meeting is given over to a current local consultation, such as the county council's "switch-off" proposals, which is of concern to local people. The issue can be cross-cutting and be led by another public agency.	During 2014/15 <b>252</b> people chose to raise a matter during an Open Forum		Most of the local authorities made use of Community Forums to gain views on local issues.
Establishing Local Policing and Environmental Priorities within Area Committee meetings	Information provided at Area Committee meetings quarterly, expression of opinions and decision taken in public.	Others spoke on planning applications and other matters.		A number invested in Area Committees, using them as a "hub" for their work, aligning the geographical delivery of services around their boundaries.
Discussions with audience during decision-making part of the agenda at Area Committee meetings	To encourage participation at Area Committees steps have been taken to make the meetings more engaging, such as the use of a "Café" approach. Each Area Committee has developed its own approach but usually seeks the views of local people when discussing environmental improvements of the allocation of community grants.  Workshops have been held to identify priority projects for devolved s.106 decision making.			Some made decisions in local venues in front of local people and others had no area decision-making, relying on strengthened Parish

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
<p>Preparing the Local Plan and other documents which comprise the city council's Local Development Framework, such as North West Cambridge area action plan and the Cambridge East area action plan.</p>	<p>Consultation arrangements included:</p> <ul style="list-style-type: none"> <li>• Consultation for 6 weeks between 15 June and 27 July 2012;</li> <li>• Letters and emails informing consultees of consultation dates and how to view and respond to the consultation material (see Appendix 1 for list of consultees);</li> <li>• A public notice;</li> <li>• A series of exhibitions</li> <li>• All documents made available on the council's website and Customer Service Centre including a small exhibition;</li> <li>• Libraries received hard copies;</li> <li>• Article in the summer edition of <i>Cambridge Matters</i> which goes to every household in the city;</li> <li>• Publicised the consultation through the council's Facebook page and Twitter as well as developing a Local Plan news blog;</li> <li>• Leaflets promoting the Local Plan consultation were handed out at key locations including Cambridge Station, Addenbrooke's Hospital and Cambridge Science Park;</li> <li>• Opportunities were also explored to engage with young people and other groups.</li> </ul> <p>Council meetings have been scheduled in November to consider the outcome of further work and any proposed modifications. Following this, public consultation is scheduled to start on 2 December 2015 to 25 January 2016.</p>	<p>The Completed Statement of Community Involvement shows the extent of consultations carried out so far.</p> <p>Over 11,000 comments were received to the Issues and Options Report and its accompanying Sustainability Appraisal from 858 respondents.</p> <p>An interactive website was also set up to enable people to view and respond to the Issues and Options 2 consultation online. A total of 6,432 representations were received to the Issues and Options consultation, of which 5,224 were to the Part 1 document, and 1,208 were to the Part 2 document.</p>	<p>The review is a core part of the policy team's work, so costs of the engagement work cannot easily be identified.</p>	<p>arrangements.</p> <p>The growth and complexity of Cambridge requires more varied and complex consultation arrangements than may be appropriate in some other council areas.</p>

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
<p>Community Forums at Southern Fringe and North and West to discuss issues about housing developments.</p>	<p>The Community Forum meetings bring together residents with the local authorities and developers in an information exchange concerning the new housing developments on the fringes of Cambridge.</p> <p>The forums aim to help enable the smooth integration of new communities with existing ones, as well as celebrate successes and promote the new development sites as good places to live. They are open to everybody and a chance to meet those working on the sites and other residents to discuss relevant issues.</p> <p>Resident surveys are used, including “How’s Your Neighbourhood” surveys and other simple questionnaires completed at resident events, street parties and through door to door flyers. These give feedback on how the new developments are settling in and insight into any issues on site that need support and attention. They are conducted in partnership with Housing Associations</p>	<p>50 residents per meeting</p> <p>9 meetings per year</p> <p>All those who have attended previously are sent an invitation (electronic or postal) and a flyer sent to all houses in the near vicinity. Feedback and up-dates are reported at following forums and via a web-page</p> <p>The community forums N and W are shared with South Cambs.</p>	<p>Approx. £475 per meeting</p>	<p>Although SCDC and Cambridgeshire County Council are partners in this work, the City Council are the lead authority and the forums would not happen without the City’s organisation.</p>
<p>Review of Housing Strategy, incorporating Homeless Strategy.</p>	<p>The 2015 public consultation was through an online survey, asking for views on proposed vision, aims, and priorities in draft Housing Strategy. An email sent to key partners and other stakeholders with a link to survey.</p> <p>Homelessness issues were discussed with partner members of the Homelessness Strategy Steering Group, prior to drafting the Strategy and consulting more widely. These were used to shape the homelessness chapter of the draft Strategy</p>	<p>93 responses to online consultation</p>	<p>£50 plus postage (prize draw)</p>	<p>Some authorities do more face to face consultation – eg workshops, focus groups etc. But these appear to be used more where there is no current Strategy in place, or where a significant change in direction is proposed.</p>

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
Tenant Engagement	<ul style="list-style-type: none"> <li>Representative survey of tenants carried out by a market research company and findings presented to Council and Housing Management Board.</li> <li>The Council publishes a quarterly Open Door Magazine to provide information to tenants to promote choice and exercise take-up opportunities.</li> <li>The Council's Housing Management Board involves tenant representatives in discussions and decisions about housing issues</li> <li>The Council uses resident days to talk to people in local settings about their concerns and views about services.</li> </ul>	The 2014 tenant & leaseholder satisfaction survey was responded to by 1888 tenants and 191 leaseholders with response rates of 28% and 18% respectively.	The programme of workshops, focus groups and data analysis suggested by NWA has an estimated value of around £5,500 (tbc), which will be met from existing budgets.	
Budget Consultation	<p>The Council has carried out an annual budget consultation since 2002. It has used a variety of consultation methods over this period, including postal questionnaires and workshops.</p> <p>In 2014 we used the YouChoose simulator, which allowed residents to increase or reduce the budget for 22 services, whilst trying to set a balanced budget. The consultation identified a number of service areas where residents felt the Council should take larger savings.</p> <p>In 2015 the Council commissioned in-depth, deliberative workshops with residents and businesses to seek their views on early ideas for savings. The workshops focussed on the five services which participants in the 2014 consultation had suggested taking the largest savings from.</p>	<p>600 people participated in the 2014 budget consultation</p> <p>32 residents and business representatives took part in the 2015 workshops</p>	<p>2014 consultation cost £10,000. A market research company was used to: carry out door-to-door sessions with residents to assist them to complete the tool on a laptop; and provide an independent report analysing the findings.</p> <p>2015 consultation cost £13,000. A market research company was used to recruit workshop participants; design</p>	Other local authorities choose to consult in a variety of ways. More than 20 other local authorities have used the Youchoose simulator as part of their budget consultations. Other methods used by other authorities include online and postal questionnaires, focus groups, and public meetings.

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
			and lead the workshops; and provide a detailed, independent report analysing the findings	
Development of Anti-poverty Strategy	<p>A range of consultation methods were used to inform the objectives and key priorities for the Council's Anti-Poverty Strategy, including:</p> <ul style="list-style-type: none"> <li>• A questionnaire survey on the City Council website. The survey was publicised via: the City Council's Twitter account, a media release and other corporate communications channels; direct messages to residents associations, voluntary groups, business bodies, and other relevant partner organisations;</li> <li>• Focus groups with low income residents, delivered as part of regular service user meetings organised by the City Council and partner agencies.</li> <li>• Detailed anonymised case studies of low income residents and households, based on interviews carried out by city Council officers and partner agencies</li> <li>• A stakeholder workshop and face-to-face meetings with representatives of local organisations that are working to address different aspects of poverty in the city.</li> <li>• Attending relevant groups to discuss the strategy such as Equalities Panel, Local Health Partnership, Guidance Employment and Training (GET) Group, and Homelessness Service Information Group.</li> </ul>	59 responses to online questionnaire 5 focus groups with low income residents 7 case studies 1 stakeholder workshop 25 face-to-face meetings with stakeholders	Consultation was funded from within existing budgets.	<p>Some other local authorities have followed a similar consultation approach when developing an anti-poverty strategy.</p> <p>A number of large urban authorities have held independent Fairness Commissions to gather evidence and make recommendations to the Council and local partner organisations.</p>

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
Preparation of Climate Change Strategy	<ul style="list-style-type: none"> <li>A questionnaire survey on the City Council website. The survey is being publicised via: the City Council's Twitter account, a media release and other corporate communications channels; direct messages to residents associations, voluntary groups, business bodies, and other relevant partner organisations.</li> <li>Face-to-face meetings with key stakeholders, including local environmental groups and leading climate change academics at University of Cambridge and ARU.</li> <li>Discussion of elements of the strategy at public meetings, such as the Equalities Panel.</li> </ul>	The consultation was launched on 15 October and will close on 12 January 2016.	Within existing budgets.	Other local authorities have used a variety of methods to consult on their Climate Change Strategies
Diversity Forum and engagement with equalities groups	The Diversity Forum meets twice a year and discusses particular topics of relevance to local voluntary and community groups. There have been discussions on hate crime, older people's services, accessibility, food poverty and sustainable food, and the local impact of welfare reforms and austerity measures. The next meeting in November will focus on campaigning, lobbying and engaging with the Councils decision making processes.	Numbers vary with each meeting – roughly 40 people last year.	£100 approx. for the two meetings.	These meetings engage with VCS organisations working with equality groups.
<a href="#">Equalities Evidence Base consultation.</a>	<p>The purpose of the consultation was to understand the views of a number of equalities groups better and to inform the Council's work on equalities, including ways of working which can be improved or any gaps in provision.</p> <p>The consultation involved a questionnaire survey, which was based on previous survey of LGBTQ residents, which was commissioned by the Local Strategic Partnership (LSP) and developed with Anglia Ruskin University. The evidence base questionnaire covered a range of topics including</p>	<p>Women - 402 Men - 85 BAME Participants - 162 Disability - 90 LGBTQ – 168</p> <p>Some of these responses will be from a single individual as respondents were</p>	<p>BAME needs assessment - £1700</p> <p>LSP contribution = (SCDC + CCC jointly commissioned) £3,000</p>	<p>We are not aware that anyone else is collecting this kind of data from the equalities group.</p> <p>Not aware of anyone else involving the community groups in developing and choosing the questions.</p>

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
	<p>socioeconomic factors, participation in local life, volunteering, personal safety and representation and access to services. Questions on income were asked to enable us to target resources at those most in need.</p> <p>Voluntary sector groups from the different sectors were involved in the creation of the questionnaire and the collection of data:</p> <ul style="list-style-type: none"> <li>• Cambridge Ethnic Community Forum collected data from BAME Community</li> <li>• Encompass collected data from the LGBTQ community.</li> <li>• Cambridge Women's Aid, Cambridge Women's Resource Centre and Rape Crisis collected some information, plus there was a survey that went out to the general public.</li> <li>• The Men's Survey went out to the general public and some groups that work with low income groups with men in them.</li> </ul>	<p>allowed to fill in multiple questionnaires which was noted as part of the process.</p> <p>This was to look at the combined effect of self-identifying in multiple categories (intersectionality)</p>		<p>The results when analysed will be presented at a multi-sector conference which aims for the sectors to identify work they can do in partnership with each other and funding which they can access.</p>
Neighbourhood Projects	Empowerment approach placing some local decisions in the hands of local action groups.	Local residents are involved in action groups including Abbey People, Arbury Action and Kings Hedges Action Group.	Neighbourhood projects are part of the core service of Neighbourhood Community Development	
Community Grants Programme	Support for local community and voluntary groups applying for funding in a collaborative approach, so that local issues can be identified and solutions offered. The review of the Community Grants Programme in 2014 involved a process taking	The consultation involved over 100 organisation and their individual members and the	Within existing budgets.	Some local authorities have chosen not to consult over cuts to their grant programmes even though the

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
	nearly six months, allowing participants to consider a more targeted approach to funding vulnerable people.	wider public and stakeholders.		Compact and best value guidance states this requirement.
Community Centres	A review about the use of community centres and their role in local communities, alongside other providers will be launched shortly. This will be a process that involves local communities over a period of time to help shape a vision for how their area could look and feel in the future. To include a week long 'snapshot in time' survey in November and repeat the exercise in March. The aim is to find out as much as possible from our users about why they like our centres, where they come from, what they don't like etc. This information will be incorporated into the review.	This review is at an early stage – so no participations figures are available.		
Children and Young People	Involving children in decision-making at Area Committees through the use of Agenda Days (bringing groups of children together to hear their views), surveys (has just completed a short summer survey) and engagement on other similar projects (for example S106 consultation for parks and open spaces, Take Over Day).	This work is at an early stage – so no participations figures are available.	£46,000 for a 2 year Children's Engagement Officer	
Environmental Improvements	<p>Public exhibitions and direct consultation pack/questionnaire mail-shots about new 20mph speed limits to people in the area affected to encourage use of an online survey to give views on the proposals.</p> <p>Targeted public consultation with statutory consultees, residents, stakeholders and user groups on a variety of highway (including traffic regulations) and other environmental improvements.</p>	<p>Approximately 60,000 distribution, 10,000 responses</p> <p>Difficult to quantify</p>	<p>Circa £50,000</p> <p>Circa £25,000 p/a</p>	

Consultation and its purpose.	Techniques employed.	How many participants?	Cost of consultation.	Do others do it in a different way?
City Deal and Transportation	City Deal partners has invited comments and suggestion from residents on proposals for better bus journeys from Cambourne to Cambridge. The methods used include a touring public exhibition and online survey. Further consultations about future schemes and specific issues covered by City Deal will carried out in the future.	The consultation on bus journeys from Cambourne to Cambridge runs until 23 November.		
Presentation of options for future development of Park Street Car Park	Use of direct mail-shots for local residents and businesses affected by the proposals. Provision of information about the different options at public meetings and invitation for people to express an opinion about their preferred option in written submissions.	2 x consultations comprising addresses in local area from GIS database. 2200 leaflets distributed 817 responded. BID also notified their 600 members of whom 64 responded. Also undertook 4 'drop-in' sessions at car park to meet and greet customers with any queries relating to Park Street car park.	Undertaken by project delivery team. Staff who worked on this have since left but it has been estimated £5-10K was expended.	Posters displayed, meet and greet session organised, website info posted and leaflet drop organised. Fairly comprehensive in structure.
Promotion of recycling through Love Food Hate Waste campaign	Provision of information at community events, posters and leaflets, together with collaboration with community groups, such as Cambridge Sustainable Food and the use of champion tenants to promote recycling messages and to encourage take-up.	Over 15 community events attended and the messages promoted.	Within existing budgets.	
Public speaking at Council meetings and committee meetings. Petitions and Development Control Forums	Public speaking rights (question & answer)	Varies.		



Amendment: Proposed by Councillor Pitt (Additional text underlined and in red)

Motion Item 7b: Promotion of Local Democracy

Mindful of the need to engage the public as fully as possible in the democratic life of the city and at the same time acknowledging the severe financial pressures we are under, this Council calls for a comprehensive review, undertaken by the Civic Affairs Committee or a sub-group of that committee, of the ways in which the council can most effectively combine its responsibilities to promote local democracy while at the same time ensuring the prudent use of resources.

This council has a strong record of encouraging public involvement in decision making which should be reflected in the review, including consultation processes, devolving power to area committees and extensive public speaking rights.

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Amendment: Proposed by Councillor Herbert, Seconder Councillor Kevin Price (Additional text underlined and in red)

Motion Item 7c: City of Sanctuary

This Council wishes to assist the most vulnerable people hoping to come to Cambridge to seek refuge and sanctuary from war and persecution.

The UN refugee agency has asked EU Member States to immediately take 200,000 additional refugees to lessen the humanitarian crisis. In response, the EU has adopted a quota system which the UK Government has refused to participate in. Rather than the 25,000 that would represent its 'fair share' of migrants (spreading this across the country would mean about 50 refugees being accommodated in a city the size of Cambridge), the Prime Minister has instead announced that his Government would make provision for only 4,000 each year.

We recognise the strong support local communities, voluntary bodies, faith groups and others in Cambridge already give to those seeking refuge and sanctuary. The strength of public feeling was well expressed in the two 'Cambridge Welcomes Refugees' marches on the 5th of September and the 10th of October. Over 500 people in Cambridge have signed a petition saying "We are willing to house Syrian refugees; please rescue more of those fleeing the conflict.

The Council supports the initiative it has taken in responding to the Government invitation in September to assist refugees including;

the Council's written commitment to provide housing in Cambridge for at least 50 Syrian refugees, despite the detail of the Government plan changing week by week

discussions now underway with the Home Office on the early resettlement of several refugee families in Cambridge in our council housing, supported by the county council and voluntary agencies.

This council pledges to become a City of Sanctuary, and accordingly to call on the Leader and Executive to:

Work with the City of Sanctuary network, the Regional Strategic Migration Partnership, and also local groups like Refugees Cambridge to develop a plan that would allow refugees to be housed within the City in volunteer's homes, through schemes similar to that used in Oxford ('Host Oxford'). provide assistance to Syrian refugees arriving in Cambridge, in Cambridge, and other refugees in the future

~~Consider what support~~ Endorse the response by the Mayor who has committed to assist a planned benefit event, including a concert, by the Cambridge Calais group so assistance can be given to donation efforts, providing supplies to refugees in Calais.

~~Ask Cambridge Live if it would hold a benefit concert, raising more money for supplies, and promoting the benefits that multiculturalism brings to our society.~~

Review its own budgets, services and policies to check that these are adequately supporting Syrian refugees under the Government programme and present no impediment to the accommodation in private council homes of refugees.

Apply for Government funding under the Syrian Vulnerable Person Relocation (SVPR), the Gateway Protection Programme (GPP) and European Refugee Fund (ERF) schemes to help support its efforts to provide housing for refugees.

~~Write to~~ Expand on the existing initiative by Councillor Peter Sarris, Lead Councillor for Homelessness, with the City's Universities encouraging them to consider extending their funded studentships and other support to include more places specifically for refugees.

**Council 22<sup>nd</sup> October 2015**  
**Written Questions**

**1. Councillor Hipkin**

**To the Executive Councillor for City Centre and Public Places**

**Lead Officer: Dan Ritchie**

**Supporting Officer: Joel Carre**

**What is happening to the upgrade of the Cambridge City Market Square?**

The Market Square is an important asset for the city, which, with the right investment, has the potential to offer the community so much more. Unfortunately, with multiple demands on our officers' time and an absence of dedicated resources, we do not currently have the capacity to develop or take forward any major investment plans for this civic space. Our current investment focus is on strategic transport and highway related infrastructure to support the city's continued growth and enable all sections of the community to share the associated benefits. That said, we are committed to responding to opportunities to work with others to secure investment in the Market Square. To that end, we are currently supporting a project, being led by Cambridge Past Present and Future and delivered by MBA students from Cambridge Judge Business School, to assess the economic risks and benefits of increasing community use of the space. The project is due to report December 2015.

**2. Councillor Holland**

**To the Executive Councillor for City Centre and Public Places**

**Lead Officer: Dan Ritchie**

**Supporting Officer: Joel Carre**

**Does Cambridge City Council derive any financial benefit from hosting film shoots on the streets of Cambridge?**

We do not currently derive financial benefit from the film shoots that take place in the streets of the city. We welcome and support companies

who wish to film in the city, providing advice and guidance on practical issues, such as film locations and timings and how to obtain any required highway closures (from the County Council) or landowner permissions. Further details on our approach to managing filming in the city can be found at: <https://www.cambridge.gov.uk/filming>

### **3. Councillor Holland**

#### **To the Executive Councillor for Housing**

**Lead Officer: Yvonne O'Donnell**

**How Is the City Council getting private landlords who are running HMO's in Cambridge to sign up to the voluntary property accreditation scheme, so that landlords know the standards of accommodation and maintenance expected of them by Cambridge City Council?**

In order to encourage landlords to join the property accreditation scheme we offer a number of incentives, the first is financial and a discount is offered to the HMO licensing fee if they also accredit their property. The discount was 50% on each new licence application, this discount was recently modified to £100 for both new and renewal applications in order to encourage landlords to stay within the scheme. The scheme also provides a marketing incentive, not only are they able to promote their property as accredited we also hold details of the accredited properties on our website and provide these details on request. We are in the process of modernising the accreditation website to improve this and we hope that this will encourage greater take up of the scheme. Other improvements to the scheme are in progress at present and we hope to be in a position to further promote the scheme further next year.

In terms of how landlords of accredited properties are made aware of the standards of accommodation and maintenance expected of them, these are set out in a Accreditation Code which they must comply with and their properties are inspected prior to accreditation to ensure these standards are met.

### **4. Councillor Sinnott**

#### **To the Executive Councillor for Strategy and Transformation**

**Lead Officer: Lynda Kilkelly**

## **How does the Council report crimes to the police and what reliance is placed on the 101 service?**

The Safer Communities Section have direct contact with the Sergeant, PC or PCSO for the area when dealing with ASB or racial harassments cases or other community safety issues, in these circumstances we would **not** use 101. However, if staff are out on council business in the city and see suspicious behaviour or a crime taking place they would ring 101 to report this. Recently staff have experienced long delays when phoning 101 in being put through to an appropriate person to take their report. They have often given up on using this method as being too time consuming. If unsuccessful in reporting on 101 they have reported via email to the area Sergeant.

When running street surgeries or residents meetings the team have been advised by the police to tell people to ring 101 if they want to report an incident to the police or alternatively use the street life email address, or in the case of emergency phone 999. This information is included on our publicity handouts.

The office of the Police and Crime Commissioner agreed to increase 101 posts by 10 posts in April, however, it was recently reported that there were 16 vacancies. These posts will need to be filled if there is to be improvements from the current 20-40 minutes it is taking to get a secondary response. The public have reported at Area Committee and elsewhere that they are not satisfied with the current situation.

To the Executive Councillor for Finance &amp; Resources

Lead Officer: Richard Wesbroom / John Harvey

Supporting Officer: Chris Humphris

What is the current status of each of the 21 capital schemes listed as Projects Under Development on page 155 of the Mid Year Financial Review? For schemes which do not at this point have Part A and Part B approval from the Capital Programme Board, could the answer indicate whether action is actively underway to achieve that and when a decision on approval (and if necessary by Executive Councillor) can be expected?

### Status of projects under development

Ref	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	Comments
UD016	Public Conveniences	A Wilson	437	0	0	0	Future options for Silver Street Conveniences being discussed with Exec Cllr. Report to Community Services in January 2016 with preferred option.
UD020	ICT Infrastructure Programme	J Nightingale	90	160	110	0	Future projects to be developed as part of the ICT Shared Service arrangements
UD023	Admin Buildings Asset Replacement Programme	T Burdon	138	74	62	0	Future projects being considered as part of BSR2016
UD024	Commercial Properties Asset Replacement Programme	D Prinsep	433	20	22	0	Future projects being considered as part of BSR2016
UD030g	East Barnwell Comm. Centre impr. phase 1 (S106)	D Kaye	255	0	0	0	Prioritised by East Area Committee in November 2013 (which is the equivalent of a Part A for S106 projects). The County Council in June 2015 decided to revised the proposed scheme. An update from the county council is due by June 2016, so that the East Area Committee can review its S106 allocations to the scheme. The issues have been reported to Community Services Scrutiny Committee on 8 October 2015 and are being reported to East Area Committee on 29 October 2015.
UD030j	Cavendish Rd (Mill Rd end) improvements: public art (S106)	A Wilson	30	0	0	0	Prioritised by East Area Committee in November 2013 (which is the equivalent of a Part A for S106 projects). Project brief being developed. Expect project appraisal in the next few months.
UD030l	Sturton Street Chapel & Hall: grant for community meeting space conversion (S106)	J Hanson	49	0	0	0	Prioritised by East Area Committee in January 2015 (which is the equivalent of a Part A for S106 projects). The grant offer was conditional on Petersfield Area Community Trust acquiring the site from the Methodist Church, but it has been sold to another bidder. A report to the East Area Committee on 29 October will confirm that this S106 allocation will be cancelled so that it can be released back into the East Area devolved S106 community facilities fund.

## Status of projects under development

Ref	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	Comments
UD031g	Milton Rd Library Community Meeting Space (S106)	D Kaye	100	0	0	0	Prioritised by North Area Committee in February 2014 (which is the equivalent of a Part A for S106 projects). The County Council in June 2015 decided to revised the proposed scheme. An update from the county council is due by June 2016, so that the North Area Committee can review its S106 allocations to the scheme. The issues have been reported to Community Services Scrutiny Committee on 8 October 2015 and will be reported to North Area Committee on 19 November 2015.
UD033k	King's College School: grant for visitor sports changing facilities (S106)	I Ross	50	0	0	0	Devolved outdoor sports funding prioritised by West/Central Area Committee in January 2015 (which is the equivalent of a Part A for the S106 projects). Awaiting confirmation from the applicant that its preparations and other funding arrangements are in place before the council can proceed to consideration of the project appraisal and draft community use agreement. An update was reported to the Community Services Scrutiny Committee on 8 October 2015 and will be reported to West/Central Area Committee on 3 December 2015..
UD034j	Rouse Ball Pavilion Development	A Wilson	250	0	0	0	Prioritised by Community Services Scrutiny Committee in January 2013 (which is the equivalent of a Part A for S106 projects). The proposed scheme has been placed in the context of wider proposals for the use of Jesus Green, not least the outdoor swimming pool. It is also being considered in the context of on-going discussions about proposals for future swimming pool provision in the city and how funding for those purposes should be allocated. An update was reported to the Community Services Scrutiny Committee on 8 October 2015.
UD034m	King's College School: grant for visitor sports changing facilities (S106)	I Ross	75	0	0	0	S106 indoor sports funding prioritised by the Executive Councillor following Community Services Scrutiny Committee in January 2015 (which is the equivalent of a Part A for S106 projects). Awaiting confirmation from the applicant that its preparations and other funding arrangements are in place before the council can proceed to consideration of the project appraisal and draft community use agreement. An update was reported to the Community Services Scrutiny Committee on 8 October 2015.
UD034n	Cambridge Gymnastics Academy: grant for warehouse conversion into gym facility (S106)	I Ross	65	0	0	0	Prioritised by the Executive Councillor following Community Services Scrutiny Committee in January 2015 (which is the equivalent of a Part A for S106 projects). A project appraisal is expected in the next few months. Please note that the Executive Councillor in October 2015 has also allocated up to £75k for a trampoline/foam pit at Cambridge Gymnastics Academy's warehouse (again, subject to project appraisal and community use agreement).

## Status of projects under development

Ref	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	Comments
UD034o	Netherhall School: supplementary grant for gym and fitness suite facilities (S106)	I Ross	64	0	0	0	Prioritised by the Executive Councillor following Community Services Scrutiny Committee in January 2015 (which is the equivalent of a Part A for S106 projects). A project appraisal is expected in the next few months. Please note that this supplementary grant is in addition to a specific indoor sports contribution agreed by the Joint Developer Control Committee from the Bell School development (which is being added to the PUD list).
UD034r	Cambridge Rugby Club: grant for new changing rooms (S106)	I Ross	200	0	0	0	Prioritised by the Executive Councillor following Community Services Scrutiny Committee in January 2015 (which is the equivalent of a Part A for S106 projects). An update was provided to the Community Services Scrutiny Committee in October 2015. The S106 funding allocation will be reviewed in June 2016, taking stock of the Rugby Club's fund-raising activities in early 2016.
UD037	Local Centres Improvement Programme	G Richardson	0	195	195	195	It is expected there will be greater certainty regarding the City Deal funding in part/whole for works on Milton Road, including Mitchams Corner, by mid-2016. Relevant documentation will follow as required.
UD037b	Local Centres Improvement Programme - Arbury Court	G Richardson	195	0	0	0	Parts A & B to be considered at MFR2016 at the earliest
UD472	Cherry Hinton Hall Grounds Improvements (S106)	A Wilson	400	0	0	0	Initial (outline) project appraisal agreed by the Executive Councillor following Community Services Scrutiny Committee in January 2012 (the equivalent of a Part A for S106 projects). A follow-up, more detailed project appraisal for sub-projects is expected within the next few months. Future projects being considered as part of BSR2016
UD475	Nightingale Recreation Ground Pavilion Refurbishment (S106)	I Ross	200	0	0	0	£200k provisionally allocated to this scheme in January 2014 (which is the equivalent of a Part A for S106 projects). The South Area Committee on 14 December 2015 will consider the expected follow-up funding request for a further £175k of devolved outdoor sports/community facility contributions. A project appraisal will then be developed.
UD534	Refurbishment of Park Street Car Park	S Cleary	0	0	0	0	A report regarding the 'Future of Park Street Car Park' was discussed at Strategy & Resources on 12 October
UD593	A14 mitigation schemes (previously Keep Cambridge Moving Fund contribution)	S Payne	0	0	0	1,500	The Fund is intended to support works to mitigate the impact of the road scheme from 2019 onwards. Discussions are continuing with Highways England about how impacts will be monitored and how the agency will contribute to the Fund if additional mitigation works are required
UD607	Grand Arcade LED Lights	S Cleary	286	0	0	0	Project to be rephased to 2017/18. Part A complete.

**6 Councillor Cantrill**

**To the Executive Councillor for Finance & Resources**

**Lead Officer: Richard Wesbroom / John Harvey**

**Supporting Officer: Chris Humphries**

**Which projects on the capital plan currently have part A and part B approval from the Capital Programme Board? For which of the remaining projects currently on the capital plan is it the intention to seek Part A and Part B approval from the Capital Programme Board before the end of November 2015 and for which is it not the intention?**

**2015/16 Capital Schemes on the Capital Plan, not yet commenced, with neither project appraisal (old process) nor Parts A & B (new process)**

Capital Ref - Cost Centre	Description	Lead Officer	Capital Year Budget (£000's)	Latest
SC561 - 38190	Adaptations - Riverside River Banks	A Wilson	75	No formal project underway at this time. Proposals may come forward as part of Moorings Consultation 2016. Likely to be recommended for movement into the PUD list in BSR 2016
SC574 - 38204	Essential Repairs to Car Parks	S Cleary	165	Project is unlikely to proceed at this stage. Likely to be recommended for movement into the PUD list in BSR 2016
SC588 - 38248	NW Cambridge Development Underground Collection Vehicle	M Parsons	210	Lead Officer aware and will bring forward a Part A/B as part of BSR 2016
SC598 - 38284	Supply and install generator at the Crematorium	T Lawrence	50	Full project specification underway for delivery 2016. Part of Capital Plan within Bereavement Services Business case and funded from their Asset Replacement funds
PR038 - 38283	Drainage and resurfacing works at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery	T Lawrence	208	Currently reviewing options for drainage works at the Crematorium, so recommend project moves on the PUD list as part of BSR 2016, until detailed proposals have been identified. Part of Capital Plan within Bereavement Services Business case and funded from their Asset Replacement funds

**2015/16 Capital Schemes on the Capital Plan, not yet commenced, with neither project appraisal (old process) nor Parts A & B (new process)**

Capital Ref - Cost Centre	Description	Lead Officer	Capital Year Budget (£000's)	Latest
PR030e - 38258	Cavendish Rd (Mill Rd end) Imp. seating, paving & public art (S106)	A Wilson	38	Now that the Railway workers public art project (PR030j) has been separated out, the S106 funding for this EIP project is now for £8k, which is below the threshold for a project appraisal.
PR030f - 38259	Bath House Play Area Improvements (S106)	A Wilson	49	Public consultation on proposals currently under way. A project appraisal (for project under £75k) expected for consideration by East Area Chair, Vice Chair and Opposition Spokes in next few months.
PR030h - 38255	Romsey 'town square' public realm improvements (S106)	A Wilson	58	Public consultation on proposals expected from November. A project appraisal (for project under £75k) expected for consideration by East Area Chair, Vice Chair and Opposition Spokes in next few months.
PR032e - 38267	Accordia Trim Trail & Jnr Scooter Park (S106)	A Wilson	50	Project appraisal (for project under £75k) agreed for junior scooter facility by South Area Chair, Vice Chair and Opposition Spokes this summer. Scooter project now completed. Allocation for trim trail element to be reviewed by South Area Committee on 14 December 2015.