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Cambridge City Council

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

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

Alternates: Councillors Abbott and C. Smart

Leader of the Council: Councillor Herbert

Executive Councillor for Finance and Resources: Councillor Owers

Despatched: Wednesday, 1 July 2015

Date: Monday, 13 July 2015

Time: 5.00 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Toni Birkin

Direct Dial: 01223 457013

AGENDA

1 **Apologies for Absence**

2 **Declarations of Interest**

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

3 **Minutes of the Previous Meeting** (*Pages 7 - 10*)

To confirm the minutes of the meetings held on 23rd March 2015 and 28th May 2015.

4 Public Questions

5 Oral Report from the Leader and Proposals for Lead Councillors

Oral introduction by the Leader on the immediate priorities for the portfolio and an introduction to Lead Councillors.

Items for Decision by the Executive Councillor, Without Debate

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

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

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

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

Decisions of the Leader

Items for Debate by the Committee and then Decision by the Leader of the Council

6 Shared Service Overview (*Pages 11 - 36*)

7 Shared Legal Service (*Pages 37 - 74*)

8 Shared ICT Service (*Pages 75 - 108*)

9 Shared Building Control (*Pages 109 - 140*)

10 Shared Waste Service (*Pages 141 - 148*)

11 Housing Development Agency (*Pages 149 - 174*)

12 Street Lighting - County Council Proposals (*Pages 175 - 182*)

13 Single Equality Scheme 2015-2018 (Pages 183 - 234)

Decisions for the Executive Councillor for Finance and Resources

14 Oral Report from the Executive Councillor for Finance & Resources and Proposals for Lead Councillors

Oral introduction by the Executive for Finance & Resources on the immediate priorities for the portfolio and an introduction to Lead Councillors.

Items for Debate by the Committee and then Decision by the Executive Councillor for Finance and Resources

15 Adopting A Discretionary Transitional Relief Policy For Non Domestic Rates (Pages 235 - 242)

16 Annual Climate Change Strategy Progress Report, Including Carbon Management Plan and Climate Change Fund Status Report (Pages 243 - 266)

17 Mill Road Depot Redevelopment (Pages 267 - 276)

18 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Strategy and Transformation Portfolio (Decision of the Leader) (Pages 277 - 284)

19 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Finance and Resources Portfolio (Pages 285 - 294)

20 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances – all General Fund Portfolios (Pages 295 - 338)

21 Review of Capital Plan Processes and Procedures (Pages 339 - 356)

22 Annual Treasury Management Report 2014/15 (Pages 357 - 374)

23 Replacement Financial Management System (Pages 375 - 390)

24 General Fund Investment in Housing (Pages 391 - 400)

Information for the Public

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

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

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE

28 May 2015
1.00 - 1.25 pm

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

FOR THE INFORMATION OF THE COUNCIL

15/42/SR Appointment of Equalities Panel

The Scrutiny Committee agreed the four nominations below:

Councillors Abbott, Ratcliffe, Bird, Holt, O'Connell.

15/43/SR Appointment of Joint Staff Employment Forum (JSEF)

The Scrutiny Committee agreed the membership of Joint Staff Employer Forum:

Councillors Gawthrope, Bird, C Smart, Holt and M Smart.

Alternates: Councillors Price and Bick

Chair: Councillor Gawthrope

Vice-Chair: Councillor Dryden

15/44/SR Appointment to Outside Bodies

The Scrutiny Committee recommended appointment to the outside bodies listed below.

The Leader and the Executive Councillor for Finance and Resources agreed the appointments.

- **City Deal Executive Board (1 + 1 alternate)**

Councillor Herbert

Alternate: Councillor Blencowe

- **Greater Cambridge Greater Peterborough Enterprise Partnership (1)**

Councillor Herbert

Opposition Spokes: Councillor Bick

- **Cambridgeshire Police and Crime Panel (1 + 1 alternate)**

Councillor Herbert

Alternate: Councillor Sinnott

- **Local Government information Unit (1)**

Councillor Herbert

- **East of England Local Government Association (1)**

Councillor Herbert

- **LGA General Assembly (1)**

Councillor Herbert

- **Horizons Board (1)**

Councillor Herbert

- **Cambridge Community Safety Partnership (1)**

Councillor Herbert

Alternate: Councillor Sinnott

- **Connecting Cambridgeshire Steering Board and Delivery Group (1)**

Councillor Herbert

- **CCTV Shared Service Board (1)**

Councillor Herbert

- **Making Assets Count (MAC) Member Reference Group (1)**

Councillor Owers

The meeting ended at 1.25 pm

CHAIR

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To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: Chief Executive
Relevant scrutiny committee: Strategy & Resources 13/7/2015
Scrutiny Committee
Wards affected: All

SHARED SERVICES OVERVIEW

Key Decision

1. Introduction

- 1.1. In July 2014, Huntingdonshire District Council (HDC), South Cambridgeshire District Council (SCDC) and Cambridge City Council (CCC) agreed in principle to work as a partnership to deliver a range of shared services over a number of phases, building on existing collaboration.
- 1.2. The first phase of this programme involves proposals for shared services for ICT, Legal Services, and Building Control.
- 1.3. This report outlines the overall approach that has been taken to the development of these shared service proposals and makes recommendations for governance and cost sharing in those shared services

2. Recommendations

The Executive Councillor is recommended:

- 1) That the approach to shared services outlined in the report be endorsed.
- 2) That approval be given to the establishment of a Joint Committee without delegated powers to oversee the delivery of shared services.
- 3) That the Leader be confirmed as the Council's representative to this committee and a deputy be appointed
- 4) That the proposed sovereignty guarantee in section 8 be approved
- 5) That the approach to cost sharing principles and partnership agreement as outlined in section 9 be approved.
- 6) That the approval of the final partnership agreement be delegated to

the Chief Executive in consultation with the Leader of the Council, Chair of Strategy and Resources Scrutiny committee and spokes.

7) That, subject to the approval of the business cases for IT, Legal and Building Control Shared Services, formal consultation commences with Trade Unions/Staff Council and affected staff on 24 July 2015, closing on 1 September 2015.

3. Background

3.1. The three councils have differing geographies with one being rural, one being urban and one having a mix of urban and rural areas. The services that are provided in each Council are delivered in varying ways and with different levels of staffing. Because of this diversity it is important that any shared service proposal must provide the best future option for the parties involved. This may mean that that some services are appropriate to share across all three councils, whereas some may only be shared between two councils. The three councils have been working on the principle that any proposed shared service between two of the three partners will be brought forward in a way that allows the third partner to join at some future date without penalty.

3.2. Given the financial pressures that local authorities have been experiencing over the past few years, the three councils have already taken forward some shared service arrangements, namely:

- Home Improvement Agency – CCC, SCDC and HDC
- Internal Audit – CCC, SCDC and Peterborough City Council
- Payroll – CCC and SCDC
- CCTV – CCC and HDC
- Interim s151 officer (provided to CCC by SCDC)

This report proposes a more formalised model of working going forward, which will bring consistency, robust governance arrangements and provide mutually beneficial arrangements for all parties.

4. Outcomes and objectives of shared working

4.1. The councils each recognise that they are likely to be smaller and more streamlined moving forwards and in order to both protect frontline services and ensure resilience of service delivery, new models of working are needed.

4.2. The three councils have already agreed that a key objective of sharing services is to provide seamless services to both internal users and the

public in order to deliver the following outcomes:

- Protection of services which support the delivery of the wider policy objectives of each Council
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service
- Savings through reduced managements costs and economies of scale
- Increased resilience and retention of staff
- Minimise the bureaucracy involved in operating the shared service
- Opportunities to generate additional income, where appropriate
- Procurement and purchasing efficiencies, and
- Sharing of specialist roles which individually, are not viable in the long-term

4.3. Each of the councils is committed to consulting with staff and their representative Trade Unions (SCDC and CCC) and Staff Council (HDC) in relation to the proposals that affect them. Shared services will continue to ensure the following outcomes for staff:

- Fair terms and conditions of employment
- A commitment to staff training, development, retention and talent management, and
- A commitment to tackling inequality and celebrating diversity in service delivery

5. Phasing of shared service programme

5.1. To enable effective management of the shared service programme, a phased approach has been taken. This will allow for the refinement of any principles or models of working, as progress is made and will allow for easier implementation.

5.2. This first phase is comprised of the three shared services being put forward as full business cases, for consideration, namely ICT, Legal and Building Control services. The proposed date for the shared arrangements to effectively go-live is 1 October 2015.

5.3. A significant amount of effort and resource will be required to ensure the successful implementation of Phase 1 and this will be the focus. However, a number of other services have potential for future

collaboration and are being explored. These are:

- Growth and Planning
- Internal Audit
- Finance & Procurement
- Strategic Housing
- Regulatory Services

6. Legal Framework for Shared services

6.1. Local Authorities have a number of legal powers in relation to discharging their functions and indeed, in trading or supplying goods and services.

6.2. Section 101 of The Local Government Act (1972) enables a local authority to delegate or discharge its functions to another local authority or a Joint Committee, together with the relevant executive functions. It is important to note that the authority to whom the statutory responsibility is originally allocated by Central Government remains responsible for the function, even if they have delegated the delivery to another body.

6.3. In addition, the Local Authority (Goods and Services) Act 1970 enables a local authority to supply goods and materials or services, which include administrative or technical services, to other public sector bodies and enables them to charge at a rate where the revenue may exceed the cost of provision (thereby producing a profit). However, the arrangement must be overtly collaborative in nature rather than a purely commercial contractual arrangement, otherwise it will fall under EU Procurement rules. Sharing of savings amongst the three parties via an agreed mechanism would help to demonstrate that one party alone was not commercially benefitting from the arrangement.

6.4. When it comes to trading services with other non-public sector bodies, although Section 93 of the Local Government Act (2003), now enables local authorities to undertake chargeable activities that are in line with the exercising of their ordinary functions, revenue cannot exceed cost.

6.5. However, Section 95 of the same Act enables the provision of services to be undertaken on a more commercial, profit-making basis, if the services are delivered through a corporate vehicle i.e. it is not the Council itself that is directly trading, although it could own the separate company through which it trades. This may provide opportunities for future service developments for the partnership.

6.6. The impact of the different legislative provisions is that the councils can

discharge their functions (with the correct delegations and legal approvals), to be undertaken by another council and essentially make a profit, but they cannot commercially trade with other non-public bodies on the same basis, without the use of corporate entity (i.e. a formal trading arm).

- 6.7. Should there be a requirement or opportunity to trade on a more commercial basis in the future, then a corporate entity would need to be considered such as a wholly-owned but arms-length Local Authority Trading Company (LATC). This is not proposed at this stage but could be an option for the future.

7. Proposed Governance of Shared Service Arrangements

Operational Model

- 7.1. It is proposed that a Lead Authority model will be used for the Shared Service arrangements since this best reflects the current vision for shared services and the starting position of each partner council. It will also enable cultural and working practice changes to be more easily implemented, as one council will be responsible for the operational delivery of the service.
- 7.2. The head of each shared service will be responsible for the overall operation of that service, the delivery of their business plan and achievement of performance and financial targets.
- 7.3. Once services move into the operational phase, there will be the need to ensure that robust governance is in place to oversee service delivery. Whilst there is an officers' board in place currently, and Leaders have been meeting to review progress on a regular basis, there is the need to formalise the role of members and to ensure clarity transparency.

Joint Committee

- 7.4. It is proposed a Joint Committee should be established to oversee the operation of Shared Services, supported by an officer Board, but the committee would not have delegated powers or functions. It would formalise existing arrangements but without any partner council delegating power to another entity. This arrangement has the benefit of being a collaborative arrangement with all parties represented equally, without favouring or representing the interests of one particular.
- 7.5. The remit of the Joint Committee would be to provide advice, oversight, challenge and endorsement of the shared services business plans and budget. It is important to note that without any delegation or discharge of

functions and powers, they would act as an advisory body to the three Councils only.

7.6. This means that each participating council would retain Executive decision-making powers for their shared service functions. The Joint Committee will receive regular updates on the operation of the shared services and will take reports and recommendations for decision to their respective Executives (and full council, if appropriate), at agreed points and with the engagement of each council's Scrutiny committees.

7.7. The Joint Committee meetings would be held in public meetings, forming part of each council's calendar of meetings. Membership would be the Leaders of each Council with a nominated deputy/alternate attending in their absence.

Officer Structures

7.8 In order to ensure that each participating party protects its interests in the shared service when it is not the Lead Authority, an intelligent client function is proposed. This would involve a designated "contract manager" at each council, responsible as the liaison with the Lead Authority for operational issues encountered or for requested changes to the service being received. This would not be a new post in the establishment, but instead will be a function undertaken by a senior officer within each council (whether Lead Authority or client), who has the relevant service knowledge to effectively enter into discussions in relation to the service and its performance.

7.9 The existing Partnership Board for Shared Service (PBSS), which is comprised of the three Heads of Paid Service together with a Corporate Director from each organisation, will oversee the ongoing operation of new Shared Service arrangements. In addition, it will oversee the development of new proposals in future phases for Joint Committee consideration prior to the required Executive decisions at each Council.

7.10 Appendix 1 demonstrates the proposed governance model that is a member-led model, supported by officers of each council.

8. Sovereignty Guarantee and Partnership Agreement

8.1. A Sovereignty Guarantee has been used elsewhere in similar shared service arrangements to give confidence to individual councils' executives that they will retain sovereignty of their organisations, as well as Executive decision-making powers.

8.2. It is proposed that each Council endorses the Sovereignty Guarantee contained at Table 1 below.

Table 1

A sovereignty guarantee

All three Councils are committed to continuing to represent the needs, priorities and ambitions of local people in their neighbourhoods.

They are exploring reducing costs by working together. They are also keen to take new devolved responsibilities from Government and manage these together, where this makes sense.

Commissioning or delivering services together is specifically designed not to change how residents experience services. It is about how to get things done more efficiently.

To safeguard local autonomy the Councils confirm:

1. Local residents will continue to elect councillors to each Council.
2. Each Council will retain its own constitution, setting out how it makes decisions, organises scrutiny and delegates authority.
3. Each Council will continue to set its own council tax and publish its own budget and accounts.
4. Each Council will continue to be able to set its own spending priorities.

8.3 To support this governance structure and Lead Authority model of operation, it is also usual for partners to enter into a Partnership Agreement. The partnership agreement describes the governance arrangements, the terms of engagement between partners and the roles they play in relation to each service – either as recipients of the shared service from another council or the lead authority that provides the shared service to others.

8.4 The agreement can also provide assurance that this is a true partnership collaboration and not a commercially beneficial arrangement for one party alone, therefore demonstrating compliance with EU Procurement legislation.

9. Terms of Partnership agreement

9.1 There are a number of terms that should be considered for inclusion in a

Partnership Agreement, and this will be subject to legal advice, but should include as starting point the following:

9.2 Governance arrangements

See above

9.3 Length of the agreement and review points

- The term for the shared service arrangement will be 5 years, with a review point at years 2 and 4.
- The purpose of the 2 year review point, will be to test delivery of ambitions and then, if the partners are ready, enable a move to a true recharging model, based on service usage and future demand, rather than a continual investment of existing budget by the council
- The 2-year review will rely on service-usage data, which will inform an intelligent, evidence-based approach, with performance reporting being the subject of more detailed discussions.

9.4 Dispute Resolution

- In the first instance, officers undertaking the role of contract manager for each party will attempt to resolve any dispute. Should disputes be unable to be resolved at this point, they will be referred to the Corporate Directors at each partner council who is responsible for that particular shared service.
- Any disputes unable to reach a conclusion at this point would then be referred to the Partnership Board for Shared Services (PBSS) and if necessary to the Joint Committee.

9.5 Cost Sharing Principles

- The three Councils have already endorsed the principle of sharing costs on a proportionate basis. This means that each council would invest their current service budget, less their agreed target savings for that service for the financial year 2015/16.
- Any surplus savings from shared services would be shared amongst the participating councils using the same proportionate formula (based on their initial budgetary investment as a proportion of the overall budget for the shared service). Any additional set-up costs should be met using the same proportionate formula.
- Any staff-related implementation costs occurring as a result of the new

structure such as redundancy and pay protection will be shared as follows:

- costs associated with staff ring-fenced for the proposed management structure will be borne by the pre TUPE employer;
 - costs in respect of other employees should be borne by the three partner authorities in proportion to their contribution to the service budget.
- There will be a review period set at 2 years from the go-live date for each shared service, at which time the Lead Authority will consider moving to a full recharging model and to absorb any further costs associated with the delivery of the service, including redundancy costs.

10. Shared Identity

10.1 Proposals for an identity for the shared services are currently being developed.

10.2 Identifying an internal identity for the shared service is important to help reinforce for staff that the shared services are something new and different and they are providing services to all three councils even though employed by one. For example staff could have a shared service email address rather than simply the email address of the host council.

10.3 Having a clear identity will be important in recruiting new members of staff to the shared service as it will clearly signal that the three Councils are taking a different approach to service delivery. In some cases we may wish to consider establishing a separate brand for a shared service where there are clear commercial advantages in doing so, for example it has been argued that a Building Control Service may be better placed to compete in the market where it is not overtly provided by a Local Authority body.

10.4 Any branding will also need to work from a customer perspective.

11. Staffing Implications and Consultation

11.1 Each of the councils involved in Shared Services are committed to engaging and consulting with staff on the proposals. Staff that will be impacted by the implementation of shared services proposals have been communicated with and involved in developing the visions for the services that are included in the business cases. The Trade Unions and Staff Council (at HDC) have also been engaged on regular basis.

11.2 Staff have been briefed on the planned implementation timetable, which includes a proposal to use Transfer of Undertakings (Protection of Employment) process, commonly known as TUPE, to transfer all staff to the nominated lead authority for their service, with a go-live date of 1 October 2015.

11.3 Subject to approval of the three business cases, the Trade Unions, Staff Council and impacted staff will be consulted with during the formal consultation period of 24 July to 1 September 2015, at which point consideration will be given to the feedback received during the consultation process.

11.4 Subject to the outcome of the consultation, preparations to TUPE staff would then take place during the month of September and would come into effect as of 1 October 2015. At this point, staff will become an employee of the Lead Authority for their service.

12. Financial Implications

12.1 The detail of the savings that each shared service should realise is contained in each business case.

12.2 The three Councils were also successful in a bid for Transformation Challenge Award (TCA) funding. The TCA is a grant given to local authorities (following successful application), that aims to enable major structural change through collaborative working (Shared Services).

12.3 The main focus of the Transformation Challenge Award original bid, was to support the establishment of a project team and a commitment was given to provide additional partner resources. This is being met at present through “in kind” arrangements i.e. capturing the time spent by officers working on the shared service programme as the contribution to match funding and totals £381,307 to date. Total funding received was £529,090; of this:

- £133,603 has actually been spent by the three partners,
- £320,807 has been allocated but not yet dispersed as awaiting final invoices, and
- £74,680 is currently unallocated.

12.4 To date, the majority of the expenditure has been to support the project specialists that have been used to progress the programme workstreams to the current point. This is monitored and the overall TCA fund managed by the Head of Resources at HDC, reporting to the Partnership Board at

least quarterly.

13. Key Risks

13.1 One of the reasons the Councils are planning to share services is there are significant risks in doing nothing. Each council needs to find significant savings and they also need to recruit and retain skilled staff in a competitive market place and improve the resilience of relatively small teams. Shared services offer a way of mitigating these risks.

13.2 There are also a number of risks associated with the proposal to share services across three councils. The main risks are highlighted in the table below with detailed programme and project risk registers having been developed to support effective implementation.

Risk	Initial Risk level (low/ medium/ high)	Actions to mitigate (reducing risk to low)
Staff are on different terms and conditions resulting in cost implications, challenge from those affected and impacting on morale	Medium	Initial analysis has show that there are more similarities than differences between the three councils. Work is underway to assess the impact of any differences and to provide a suitable course of action to harmonise policies.
The lack of robust governance arrangements leads to disputes and inequity	Medium	The proposed Lead Authority model and Joint Committee (without delegated powers) will provide a formalised arrangement for operational management and processes by which to manage disputes. Legal specialists will provide a clear view of the steps needed and requirements to protect all parties to the Shared Services arrangements, enabling everything to be agreed and in place prior to implementation.
The lack of agreed cost-sharing principles	Low	The proposed cost sharing principles have been agreed

		in principle by the three councils. The principles are based on a fair and pragmatic approach, given the current position of each council. The proposed governance arrangements will also support the delivery and manage any disputes
Overall financial savings targets not met or are unrealistic and unachievable, leading to service 'cuts' being required elsewhere to meet the shared service saving shortfalls.	Medium	Delivery against savings target to be regularly reviewed and evaluated as part of the implementation and delivery of the Shared service business case Business cases include robust financial analysis and risk / sensitivity analysis for projected savings. Cost sharing proposal that service budgets are at 85% of pre shared service levels initially builds in savings in year 1. Posts being held vacant until structures agreed offers early possible savings
Shared Services do not deliver the expected good quality services to internal and external customers	Low	Clear principles to be established to agree how service standards will be developed and approved. These will support standardisation where this is appropriate but allow for local variation where this is required, costing model to reflect cost implications of different service delivery

14. Conclusion

14.1 Sharing services presents a great opportunity for all three councils to save money, build resilience across their current services, which often

contain highly specialised roles. It also provides the opportunity to improve services to customers, by ensuring a focus on seamless service delivery.

14.2 However, the success of shared services must be underpinned by robust governance arrangements that will ensure transparency of both operational and strategic decision-making.

14.3 In addition, there is the need to build intelligence in relation to the shared services as they begin to be delivered on behalf of partners. This will not only to ensure effective monitoring of Lead Authority performance via an “intelligent client” function, but will inform the future shaping of the service and enable partners to access what they need.

15. Implications

(a) **Financial Implications**

See 12 above

(b) **Staffing Implications**

See 11 above

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

An Equalities Impact Assessment (EQIA) has been carried out and is attached as Appendix 2. The EQIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

(d) **Environmental Implications**

Low Positive Impact - reduction in accommodation and energy use associated will have a positive impact. Potential negative impact from increased travel will be mitigated by increased mobile and remote working.

(e) **Procurement**

Procurement implications are contained in each business case.

(f) **Community Safety**

This will be conducted in accordance with the Council’s agreed policy.

16. Background papers

Strategy and Resources Shared Services Report – 20 October 2014

17. Appendices

Appendix 1 – proposed governance model

Appendix 2 – Equalities Impact Assessment (EQIA)

18. Inspection of papers

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

Author's Name: Antoinette Jackson

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Appendix 1 – Proposed Governance Model

Annual

Approval of business plan & budget
 Other decisions outside of business plan and budget if required

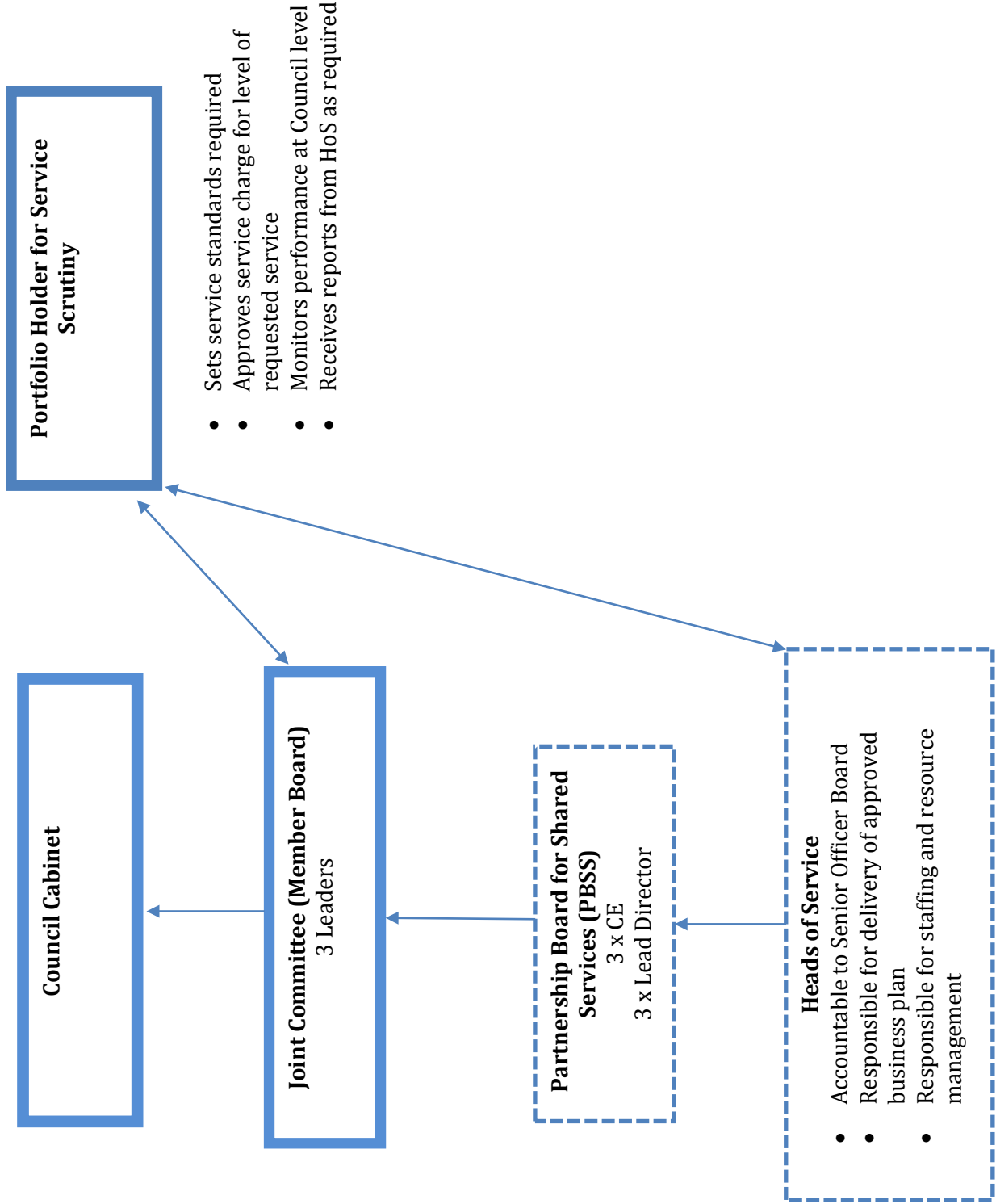
Meets Quarterly

- Considers Annual Business Plan
- Considers Annual Budget
- Performance and Financial Monitoring and Risk

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Meets Monthly

- Hold each HoS Accountable for their service
- Makes recommendations to Joint Committee





Cambridge City Council Equality Impact Assessment

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

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

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

The public sector has had, and continues to have, a very challenging time as the government implements austerity plans to reduce the national debt. Local government has seen its central government grant cut by around 40%, which has meant that many Councils have had to stop providing most, if not all, of their discretionary services such as community development, sports and arts services and voluntary sector support. Whilst there are signs that the national economic climate may be improving, there are clearly still many difficult years ahead for local government with further budget reductions from central government and increasing demands for statutory services.

Cambridge City Council has worked hard to try and reduce the costs of its services through efficiencies, sharing resources with partner authorities and outsourcing some services to private or not for profit organisations where this has proved cheaper and where quality can be maintained.

As part of this, Cambridge City Council is reviewing the following internal services – Building Control, Legal and Information Technology. This is an EQIA for the three decisions to be considered at the [Council's Strategy and Resources Scrutiny Committee on 13 July](#).

1. The rationale for the establishment of a Building Control Shared Service (BCSS) between Cambridge City Council (CCC), South Cambridgeshire District Council (SCDC) and Huntingdonshire District Council (HDC) is that it will enable each local authority to undertake its statutory duty in implementing and enforcing the building regulations in their area, whilst providing a more sustainable and resilient business model for future service delivery and cost effectiveness. It will enable the development of a five year business plan to generate additional income and create efficiencies which will support enhanced competitiveness in a commercial market.
2. The rationale for the establishment of a shared legal service between CCC, SCDC and HDC is that it will enable a reduction in the externalisation of legal work through the broader sharing of legal capability, increase output from lawyers by managing non-lawyer work away from them, create a single point for commissioning legal services to improve value for money from the process of externalising legal work, increase the opportunity for income generation by offering legal services to public and voluntary sector bodies, and improve staff recruitment, retention and development.

3. The rationale for the establishment of an ICT Shared Service (ICTSS) between CCC, SCDC and HDC is that it will enable the creation of a shared Applications Systems and technical infrastructure to facilitate wider shared service delivery for all Council Services creation of a shared, reduce overall IT cost, increase resilience and capacity and improve staff recruitment, retention and development.

At the moment, it is intended to carry out one Equality Impact Assessment (EqIA) for the three decisions as, although the services themselves are quite different, the impact of the changes if approved, will be largely equivalent in equalities terms for the staff affected and for the community.

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

- Create shared systems, infrastructure and ways of working to facilitate wider shared service delivery for all Council Services.
- Reduce overall costs to the Council and get better value for money.
- Provide a service that is user friendly but enables the development of innovative solutions to deliver services more efficiently.
- Provide increased resilience and capacity to enable the consistent and reliable service delivery required by the public.

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

X Residents – as users of Building Control services.

Visitors

X Staff

A specific client group or groups (please state):

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

New

Revised

Existing

5. Responsible directorate and service

Directorate: Business Transformation, Environment

Service: Legal, ICT and Building Control

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):

Huntingdon District Council and South Cambridgeshire District Council will be partners in delivering the shared services.

7. Potential impact

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

When answering this question, please think about:

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

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

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is currently anticipated.

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(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)

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is anticipated, although development of shared services may facilitate the ability for staff to work from a wider range of workplaces which may have some positive impacts for disabled people

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(c) Gender

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(d) Pregnancy and maternity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(e) Transgender (including gender re-assignment)

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(f) Marriage and Civil Partnership

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or the community who share this characteristic

(g) Race or Ethnicity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff and the community who share this characteristic

(h) Religion or Belief

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(i) Sexual Orientation

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(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):

In the case of each service, the effects are primarily on staff rather than the community.

However, the overall aim of creating shared services is to preserve or enhance the existing service and increase its resilience for the future while reducing unnecessary costs.

This focus on an improved service, with reduced costs, will enable the Council to ensure that its resources are preserved and diverted to those who need it most in line with its anti-poverty strategy.

In the case of legal shared services there may be an opportunity to offer low cost legal advice to public or voluntary sector bodies which may be of general benefit in this context.

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

The Committee reports are going to Strategy and Resources on 13th July 2015. If approved, consultation commence in October 2015. The EqIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

9. Conclusions and Next Steps

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

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

10. Sign off

Name and job title of assessment lead officer:
Brian O'Sullivan - Transformation Programme Manager

Names and job titles of other assessment team members and people consulted:
Sue Chadwick – Corporate Growth Manager
Ian Boulton – Building Control Manager
Ray Ward – Director of Business Transformation
Suzanne Goff – Strategy Officer

Date of completion: 22nd June 2015

Date of next review of the assessment: August 2015

Action Plan

Equality Impact Assessment title: ICT, Legal and Building Control Shared Service

Date of completion: 24/06/2015

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

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

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

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

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

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

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

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

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

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

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To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: Director of Business Transformation
Relevant scrutiny committee: Strategy & Resources 13/7/2015
Scrutiny Committee
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

SHARED LEGAL SERVICES

Key Decision

1. Executive summary

- 1.1 Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) have agreed to work in partnership to deliver shared services and have agreed general principles to underpin the approach.
- 1.2 This report provides the business case to establish a Legal Shared Service (to be known as the Practice) between the Councils and details the activity to create the Practice.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the Business Case and delegate authority to the Director of Business Transformation to make decisions and to take steps which are necessary, conducive or incidental to the establishment of the Practice in accordance with the business case.

3. Background

- 3.1 When this matter was last reported in to this committee, approval was given to establish a Business and Legal Practice Manager in advance of the proposed Practice to assist with the development of the Practice. However, an approach that utilised the services of an interim manager was adopted in order to maximise flexibility in the design of the management structure during the development of the business case. This was funded in full by the Transformation Challenge Award (TCA) made by Government to the three Councils concerned to support their work towards a range of shared service arrangements.
- 3.2 The business case for the establishment of the Practice can be found at Appendix A to this report. The rationale for the establishment of the Practice is that it will enable a reduction in the externalisation of legal work through the broader sharing of legal capability, increase output from lawyers by managing non-lawyer work away from them, create a single point for commissioning legal services to improve value for money from the process of externalising legal work, increase the opportunity for income generation by offering legal services to public and voluntary sector bodies, and improve staff recruitment, retention and development.
- 3.3 It is proposed that CCC will act as the lead authority for the Practice; its scope is solely legal services and the administration that supports legal services.
- 3.4 Land Charges, Elections, Democratic Services and Procurement teams are accordingly not within the scope of the Practice. This will create some disaggregation issues for participating Councils as there are staff out of scope of the Practice who are currently within legal services and staff within scope who currently manage staff not within the legal team – it is understood all these issues are in hand within the respective Councils.
- 3.5 The Practice will be created by the TUPE transfer of staff from HDC (4) and SCDC (6) to CCC; this is proposed to happen on 1 October 2015. The opening staffing level of the Practice will be 26. A new management team will be created on start-up consisting of a Head of Legal Practice and two Legal Service Managers. A review will then be undertaken of the rest of the staffing structure with the aim of establishing any new arrangements by 1 April 2016.
- 3.6 The Practice would have an opening operating budget of circa £1.5m combining the 15/16 operating budgets for each of the 3 current legal service operations. The ratio of the budget contribution at start up is CCC 57%, SCDC 29%, HDC 14%. This ratio forms the basis of saving

distribution and additional cost incurred such as redundancy, pay protection etc. An exception to this is in respect of those employees ring-fenced for the proposed management structure where it is proposed that those costs will be borne by the pre-TUPE employer.

- 3.7 As with all service areas within the three Councils, each Legal Services team has already been challenged to reduce the costs of delivery; savings have accordingly already been taken by each Council from their 15/16 budgets (the last year when each Council approved its own legal service budget if this Business Case is accepted). Savings of £180k have been targeted for 16/17; the equivalent of a reduction of 15% of the net revenue budget after income has been applied.
- 3.8 Set up costs of £110k have been identified; these will be covered by the TCA award and are not at additional cost to the participating Councils.
- 3.9 An Interim Manager will be appointed to undertake the mobilisation of the Practice until the management team is in place – this has been budgeted at a cost of £80k. Additionally, an existing case management system currently used by CCC will be extended throughout the Practice. This will provide the operational glue to enable work to be undertaken flexibly in terms of work allocation and location, to manage caseload, and to enable performance monitoring including resource usage. This has been budgeted at a cost of £30k.
- 3.10 The work of the Practice will be driven by the Practice Business Plan (BP) agreed with the three client Councils. The BP will identify what has to be delivered by the Practice and establish the means for measuring and assuring its performance. CCC will act as both the Practice host and as a client of its services. The BP will be agreed on an annual basis and will be a key element of the operational plan for the Practice.
- 3.11 The covering report on shared services details the general principles used to underpin the establishment of shared services between the 3 Councils.

4. Implications

(a) Financial Implications

The Practice has a minimum saving target of 15% of net revenue budget after income has been applied.

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

CCC will become the Lead Authority for the Practice. As such, identified Legal staff in HDC and SCDC will transfer under TUPE to CCC on the go-live date. Formal consultation with staff, Unions and Staff Council at HDC will take place during August in accordance with each Councils policy on consultation. The consultation will be in respect of the proposed TUPE arrangements and new management structure.

(c) **Equality and Poverty Implications**

An Equalities Impact Assessment (EQIA) has been carried out. The EQIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

(d) **Environmental Implications**

Low Positive Impact.

Reduction in accommodation and energy use associated will have a positive impact. Potential negative impact from increased travel will be mitigated by increased mobile and remote working.

(e) **Procurement**

None

(f) **Consultation and Communication**

This will be conducted in accordance with the Councils agreed policy.

(g) **Community Safety**

This will be conducted in accordance with the Council's agreed policy.

5. Background papers

Strategy and Resources Shared Services Report – 20 October 2014.

6. Appendices

Appendix A – Legal Shared Service Business Case
Equalities Impact Assessment

7. Inspection of papers

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

Author's Name: Ray Ward
Author's Phone Number: 01223 - 457325
Author's Email: ray.ward@cambridge.gov.uk
v7



Business Case and Proposal For the formation of a Single Legal Service for Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council

v.5f

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1.0 Executive Overview

- 1.1 Cambridge City Council ('CCC'), Huntingdonshire District Council ('HDC') and South Cambridgeshire District Council ('SCDC') have agreed the principle of working in partnership to deliver a range of shared services. It is proposed that this takes place on a phased basis rather than have one large implementation of a wide range of shared services. A successful bid was made to the Transformation Challenge Award (TCA) fund, a Government scheme to support public sector transformation. The TCA money is being used to support the shared service initiative in general and some of it is being used to support the creation of a legal shared service, to be known as the Practice, which is included in phase 1 of the shared service programme.
- 1.1.2 Although there are differences in how each of the three Council's legal teams operate, they are facing similar challenges for the future - namely, how to manage with fewer resources, yet provide the high quality and often specialised legal advice that Councils rely upon. Each Council also recognises the need for a change of culture in the commissioning and delivery of legal services.
- 1.1.3 Individually, each council struggles to recruit and retain legal staff, and is increasingly reliant upon external providers to meet its needs, especially on major projects. Nationally, standalone legal services teams are unable to maintain a staffing level that provides the specialists they need across a wide range of legal disciplines; this is becoming increasingly difficult as legal budgets reduce. A shared service solution to join forces and create a critical mass of capability, target efficiencies, and actively seek to take advantage of income generating opportunities is what is being considered here.
- 1.1.4 It is proposed to form a single Practice comprised of 19 legal fee earners and 7 administrative staff, operating from 3 hub offices in Cambridge, Huntingdon and Cambourne.
- 1.1.5 The total budget of the new Practice will be circa £1.5m. As with all service areas within the three Councils, each Legal Services team has already been challenged to reduce the costs of delivery; savings have accordingly already been taken by each Council from their 15/16 budgets (the last year when each Council approved its own legal service budget if this Business Case is accepted). These savings are therefore not reflected in the starting budget for the new service. Further savings for delivery in 16/17 are set out in section 9 of this document.

- 1.1.6 It is proposed that the Practice should be provided through a Business Plan from October 2015, delivered by 'CCC' on behalf of the three participating Councils.
- 1.2 The proposal carries some initial investment and it is proposed that this will be funded from the Transformation Challenge Award (TCA) and vacant posts:
- the proposal is to use interim management arrangements to drive the implementation of the Practice between July and the appointment of a new management team (see 3.2). This cost is estimated at £80k.
 - additional licences, maintenance fees and project management for the proposed extension of the computerised case and time management system across the Practice. This cost is estimated at £30k.
- 1.2.1 Following the proposed TUPE transfer of staff into the Practice it is proposed that a new management team will be appointed to oversee a service-wide restructuring; this will take place within the first year. It is proposed that additional implementation costs occurring as a result of the new structure such as redundancy and pay protection will be borne in the following way; those costs associated with staff ring-fenced for the proposed management structure will be borne by the pre TUPE employer; costs in respect of other employees should be borne by the three partner authorities in proportion to their contribution to the legal service budget.
- 1.3 The proposal offers a sustainable opportunity to stabilize and improve the legal service that partners already enjoy: existing teams will stay where they are on commencement of the Practice so as to minimise disruption to clients and maintain the existing balance between the supply and demand for legal services. This arrangement will be reviewed within the first six months of its operation. Furthermore, where specialist advice is needed it can be obtained from within the Practice or commissioned by it from external legal advisers, funded directly by client departments subject to their prior agreement or by the Practice themselves where the advice is required by them rather than the client.
- 1.4 The proposal sets out clear and realistic measures by which participating authorities may achieve significant, recurring, long term efficiency gains. It also tackles the issue of lack of capacity in certain

areas of expertise (for all three Councils) by creating a critical mass of capacity coupled with management arrangements that will enable resources to be deployed effectively and efficiently and the adoption of better standardised practices and processes. It will begin to address the issue of recruitment and retention in local authority legal services by creating an organisation that offers greater opportunities for career progression, both as specialist lawyers and as managers. The configuration of the Practice also provides flexibility in the delivery of support of the monitoring officer function to each of the participating Councils.

- 1.5 The new, more innovation-focussed characteristics of the Practice will demand a high standard of leadership. The proposal therefore underlines the need to ensure that the senior management team possesses the right range of managerial, commercial, innovation and change management skills necessary to deliver the new service, the proposal therefore acknowledges the need for the creation of the new post of Head of Legal Practice.

2.0 The Existing Provision of Legal Services

- 2.1 Currently, each council operates its own discrete legal services, each with a dedicated small team of legal and administration staff and led by a Head of Legal Services.

Currently staffing levels are as follows:

	Barrister/ Lawyer	Part qualified legal staff	Administration staff	Vacancies/Locums/ Temps	Staff
Cambridge City Council	8	4	4	2	18
Huntingdonshire District Council	2	0	2	0	4
South Cambridgeshire District Council	4	1	1	2	8
Existing total	14	5	7	4	30

- 2.2 The gaps in expertise mean that legal teams often struggle to meet the proper service demands of their client departments, necessitating increased costs from the externalisation of work to external lawyers. The Practice solution will focus on closing those gaps initially by using the capability from within it for the benefit of the three partners and by better aligning current capacity with demand.

2.3 Details of the extent of the current external spend in respect of legal services can be found below.

External Legal Costs				
	CCC	HDC	SCDC	Total
	£	£	£	£
2012/13	141,440	249,108	97,372	
2013/14	146,664	145,215	97,032	
2014/15	119,474	80,950	84,650	
	407,578	475,273	279,054	
Average spend:	135,859	158,424	93,018	387,301
			10%	38,730

2.4 It is considered that a 10% reduction in the value of currently externalised work should be achievable; based on a £387k figure this would have a value of £38k pa. See 2.3 above.

3.0 Cost Sharing and Efficiencies

3.1 In accordance with the general principles proposed for shared services, contained in the covering report elsewhere on this agenda, savings made by the Practice will be distributed in proportion to the initial investment made by the three Councils. The gross budget for each Legal service, the proportions for the Practice and the anticipated 16/17 savings are illustrated below.

Gross Budget for each Legal Service

	2015/16
	£
CCC	826,130
HDC	202,860
SCDC	415,080
	1,444,070

2016/17 savings shared in proportion to 2015/16 gross budget contribution

57.21%	14.05%	28.74%	
CCC	HDC	SCDC	Total
£	£	£	£
102,403	25,146	51,451	179,000

3.1.1 The existing 15/16 budget provision from each legal service will be incorporated to form the Practice budget. This is net of the identified savings within those budgets which will be achieved by the Council's concerned prior to the transfer of the budgets to the Practice. This is illustrated in the following table which also shows the reducing net budget as a result of the proposed savings target for 16/17.

The Practice Budgets (excluding recharges / overheads)

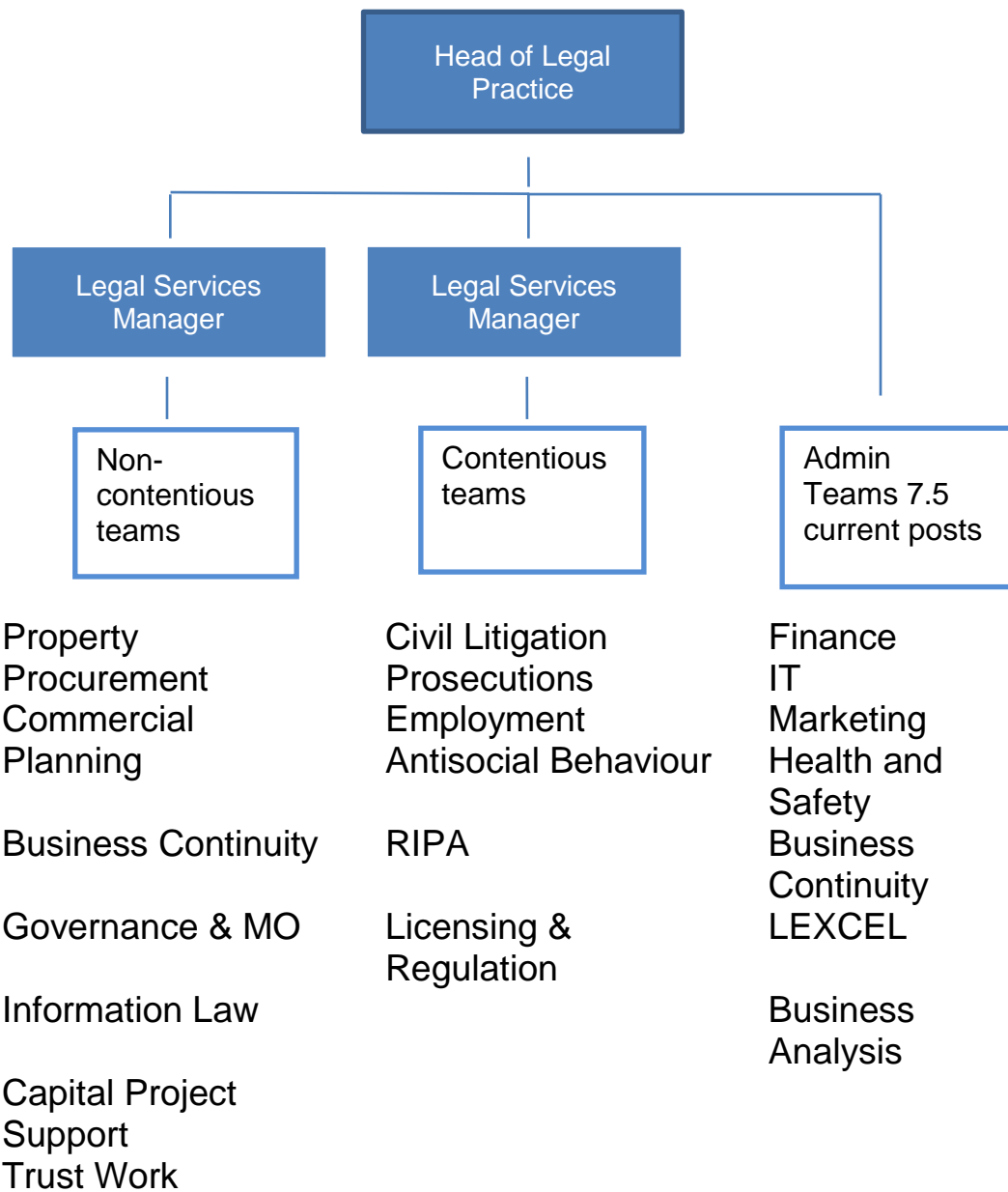
	Year 0*	Year 1		
	2015/16	2016/17	Savings	Savings
	£	£	£	%
Gross Budget	722,035	1,303,800	140,270	
Less Income	125,355	289,440	38,730	
Net Budget	596,680	1,014,360	179,000	15%

* Yr 0 figures are for the 6 month period from Oct 15 to Mar 16. Year 0 figures assume savings already taken from Partners prior to baseline budget setting

3.1.2 Once the Practice has been created and has gathered some operational baseline data, it will develop an approach by which each council can determine the performance required and target potential efficiencies. Any surplus would then be distributed back to the Councils in proportion to the level of usage of each partner.

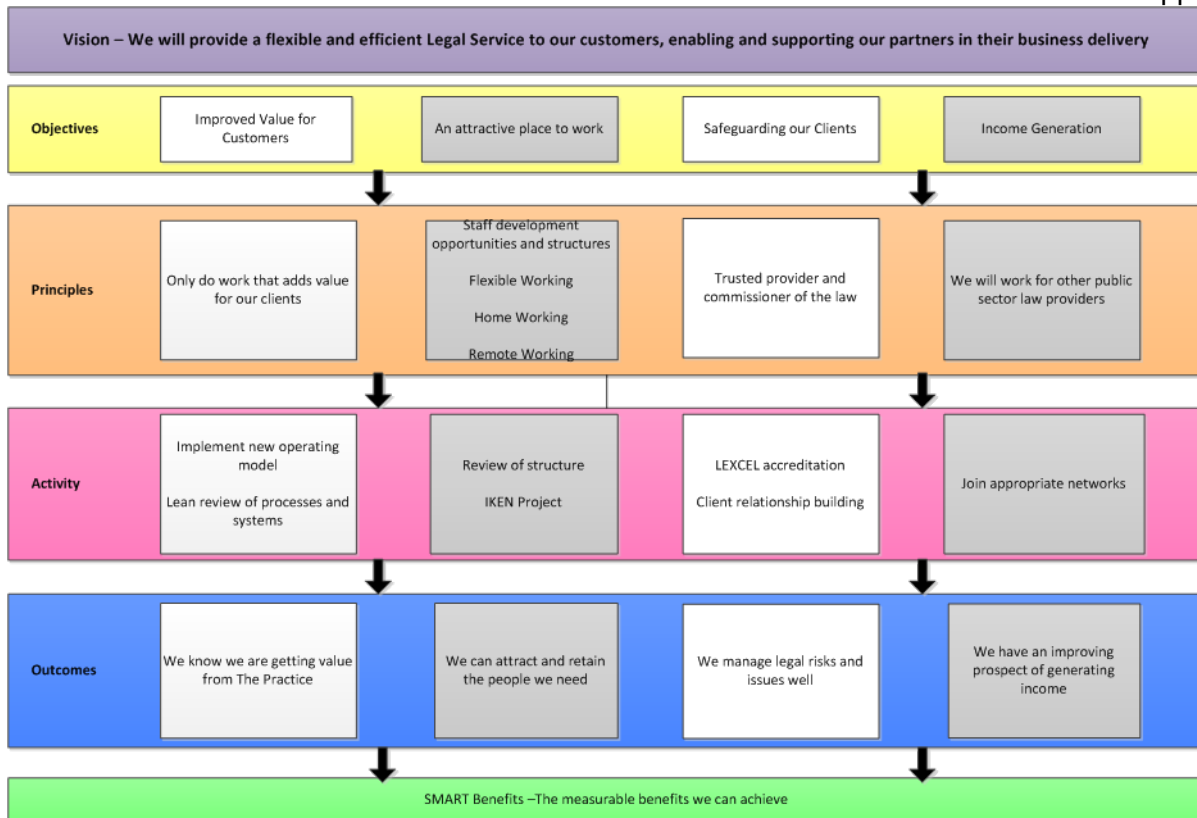
3.2 **New Operating Model and Roles**

It is proposed that the Practice will operate within a new operating model which will be led by 3 new management roles, these are illustrated over.



3.3 Vision

The vision for the Practice is contained in the following table.



3.4 Scope

Although it is recognised that different legal teams take on a variety of functions across each council, it is solely legal services and the administration that supports legal services which are included in this business case.

3.4.1 Land Charges, Elections, Democratic Services and Procurement teams are accordingly not within the scope of the Practice. This will create some disaggregation issues for participating Councils as there are staff out of scope currently within legal services and staff within scope who currently manage staff not within the legal team – all these issues are in hand within the respective Councils.

3.4.2 Work relating to the Regulation of Investigatory Powers Act ('RIPA'), the Freedom of Information Act ('FOIA'), the Data Protection Act ('DPA'), Assets of Community Value ('ACV') and similar areas will remain with the participating Councils who will commission legal advice and support as appropriate from the Practice.

3.4.3 As regards the Monitoring Officer role, each authority will take a decision on its required Monitoring Officer arrangements separately from this project. The Practice can, if required, provide a full Monitoring Officer service to any authority which requires it. Responsibility for corporate governance within each participating authority will remain with

that authority and its Monitoring Officer, with the Practice providing legal support and assistance as required.

3.4.4 The Practice business case is based upon the need to increase resilience, improve the quality of service to clients, become more efficient and increase capacity within the Practice in order to reduce expenditure on external legal support and increase external fee earning opportunities. It will always be necessary to externalise a proportion of legal work in specialist areas, but this should be an exception and not the norm. Commissioning of legal work externally will only take place following discussion with the legal team and a robust assessment of capacity and risk issues. Council service departments should not individually buy in external legal services; all commissioning activity should be managed via the Practice.

4.0 What we aim to achieve - Opportunities for an improved service

4.1 Optimising effective use of legal skills

Although there is a fully functioning case management system and workload/time recording in operation at CCC ('IKEN'), this does not take place in either HDC or SCDC. A form of case management ('Sharepoint') is utilised at SCDC and this system has the advantage of direct client access to case management information but no recording or management of staff work time. HDC have a case management system, 'Solcase', but it is not consistently used.

4.1.2 The Practice will need a fully integrated case management system with clear chargeability targets for all legal staff, in order to begin to understand staff capacity and utilisation.

4.1.3 It is initially proposed this is delivered by the extension of the existing IKEN system used by the City Council (although cases already on the SCDC Sharepoint system would remain on that system until implementation of the already proposed upgrade of the IKEN system to allow direct client access (due within the next 9 -12 months).

4.1.4 The IKEN system also provides for administration and management files and reports meaning that the system can also be used to manage the performance of the Practice.

4.1.5 It will be necessary to negotiate additional user licences to allow the extension of the IKEN system. It is hoped, in current markets, that this could be done with reduced extra cost but, in any event it is anticipated that any additional fees would only be around £1000 per person for the

licence and £400 per person annual maintenance. A budget provision of £30k is required for licences and implementation.

4.2 Review the level of currently outsourced legal work

Across the three Councils a significant amount of work is currently outsourced to external legal providers at significant extra cost. The amount spent is estimated at £387k each year. However, it is very difficult to get an accurate figure for the cost of work outsourced due to differing accounting practices. In all Councils the cost of any external legal work is borne by individual services that require this work to be carried out. The direct cost is not reflected in the budgets for legal services giving little incentive to try to accommodate the work in-house. A table showing current estimated expenditure on external legal services across all three Councils over the past 2 years is at 2.3 above.

- 4.2.1 Each council currently has a range of specialisms that it manages in-house and each has to go externally to meet any gaps in expertise or capacity. It is difficult to get a fully accurate picture of the total amount of legal work carried out across the three Councils - however, it is clear from having carried out fact-finding interviews with each Council's legal services team and an assessment of expertise and capacity set out above that there is cross-over with one Council having the ability to meet work needs arising in another. This means there is capacity within the Practice to manage current work requirements and, in particular that there is scope for work currently outsourced to be picked up too, particularly planning and employment law work; this is particularly true if clearer and more bespoke administrative support arrangements are put in place to support the legal professionals.
- 4.2.2 Additional chargeable legal capacity has been identified within the service currently provided. 'CCC' is the only team that record, in detail, its chargeable time. This indicates that staff are working to a chargeable hours target of 1200 per annum, which is lower than the general local government chargeable hours target of 1250 per annum. The extension of such a target would release at least 600 additional chargeable hours to the new Practice (based only on CCC figures and only on the 12 permanent barrister / lawyer posts).
- 4.2.3 Some work will always need to be externalised – for example where Counsel's advice is needed or where the team does not have the experience in the relevant work area. For this latter eventuality it is proposed that 'partnering' arrangements are entered into with other local authority in-house teams, particularly other practice legal teams so that, in the event such work is put out, the rates charged for such work are considerably less than those charged in private practice (and

with the additional bonus of a built-in understanding of local authorities and how they work). (See 4.4 below).

4.3 Client Demand Management

It is clear that there will need to be a cultural shift in how the council services target and access legal advice. This can be done by mainstreaming a robust risk-based approach, while maintaining a legal service in which departments, as intelligent clients, continue to have confidence including, for example:

- (a) Formalising instruction pro-forma so those requesting legal advice provide more detail of what they actually want and how it is to be funded at the outset.
- (b) Assisting client departments to undertake more work themselves so that routine work continues without unnecessary legal approvals.
- (c) Reviewing the meetings that legal officers are required to attend at both officer and member level.

4.3.1 An 'intelligent client' - able, through detailed liaison with the legal team, to make informed and robust decisions on behalf of their respective Councils whether, when and if so how, to commission legal work is a vital component of this proposal. It is recognised that a good deal of work will need to be undertaken as a matter of urgency by the new service to ensure that such confidence continues and is built upon.

4.3.2 One further way to better manage work load and to reduce the need to externalise legal work, is by managing the professional level at which work is carried out to ensure that it is aligned with the capability level required for the work and delivered at the lowest possible cost.

4.4 Improved Partnership Working

Both CCC and SCDC belong to the Public Law Partnership (PLP). *'PLP is the legal services partnership of authorities in Essex, Cambridgeshire, Hertfordshire and Suffolk who work together to share resources and ensure legal support is provided to all clients. PLP share staff, legal information, know-how and training and can provide public sector legal services to all public bodies.'* While participation in the partnership to date has been minimal, there are significant advantages in the new Practice remaining a part of PLP. PLP is still developing and has not yet reached its full potential, but partners are beginning to work together to explore 'lean' practices and provide standardised solutions to common issues. The support of a larger consortium will be valuable to the Practice as it begins to explore future options.

4.4.1 As set out in 4.2 above, it is also proposed that 'partnering' arrangements be created with other local authority in house teams particularly other shared services, to create 'best-practice' pools and information sharing.

4.5 External Publications

Each team relies on external publications as an essential tool of the legal profession. The vast majority of, but not all, legal publications are now provided on-line and there would be clear benefits from combining the purchasing power of all three Councils for the future procurement of these services.

4.5.1 Broadly all three Councils are already using the same services - Practical Law, Westlaw and Encyclopaedias on line.

4.5.2 Savings, however, are not expected to be large as both CCC and SCDC have already benefited from reduced publication costs by becoming a partner in the Public Law Partnership. The amounts currently spent on subscriptions, memberships, books and publications across all the Councils totalled £69k for 2015/16 and would appear to be in line with the requirements of the Practice.

4.6 Improved Key Performance Indicators (KPI's)

Setting some KPI's across the team will assist in driving forward some performance standards to be agreed between the partner Councils. This will be done within the development of the Business Plan and could include, for example:

(a) Reduction of external spend to (say) 50% of existing (across the board) level

(b) 100% of certain types of work to be undertaken in house (say, conveyancing and S106 agreements)

(c) % efficiency saving to be delivered by the Practice each year - target 8%

(d) Customer satisfaction survey levels not to drop below 90% excellent

4.6.1 KPI's for the Practice will form part of the Business Plan under which performance would be managed by the management team of the Practice and reported to each meeting of the Practice Operational Management Board (POMB) (see 7.2 c below) as well as reported

formally back to Clients in an Annual Report (and more frequently on an exceptions basis). Performance will be monitored on a quarterly basis at the Partnership Board for Shared Services (PBSS) and the Joint Committee (Member Board).

4.7 Increased Productivity

A more robust service will allow work to be allocated to a fee-earner not only with appropriate expertise but also with capacity to deliver to the time-scales and priorities of the client, reducing the risk of bottlenecks and backlogs, improving client confidence and enabling council decisions and policies to be speedily and efficiently implemented.

5.0 The Delivery Vehicle for the New Service

- 5.1 It is not proposed at this stage to set up a completely new legal entity for the proposed service. The law would require a separate trading entity to be run through a company, while the regulatory rules nationally governing solicitors would require such a body to be an 'Alternative Business Structure'.
- 5.2 This would entail additional formal requirements, such as the designation of specific roles within the Practice as compliance officer for legal practice (COLP) and a compliance officer for finance and administration (COFA) all of which have not insignificant cost implications. Also, if created as a stand-alone law firm, the new service would be required to comply with the Solicitors Accounts Rules maintaining separate client and office accounts (and entirely different and specialist approach to accounting from the local authority in-house model and one, again, entailing extra cost).
- 5.3 To avoid any unnecessary regulatory burden, in the first instance it is proposed that all staff would be employed by the lead authority, 'CCC'. This will require staff in scope from HDC & SCDC to transfer (under the provisions of TUPE) to CCC. The proposal is for staff to transfer to City Council employment on 1 October 2015. The proposed timeline for this process is set out in Appendix A/1.
- 5.4 The proposal is to initially organise the Practice around a multi-site basis with flexible accommodation in Cambridge, Huntingdon and Cambourne. This will be reviewed within the first six months of operation.
- 5.5 To deliver an effective and efficient legal service for its clients, the new Practice will require:

- (a) Sufficient office accommodation – to be provided ‘as is’ in the first instance but to be subject to detailed review as part of the need to produce a new structure within the first year of the life of the new service.
- (b) Appropriate IT systems (time and case management, legal research etc) to support
- (c) Sufficient suitable qualified staff to undertake both the legal and support work necessary – to be ascertained through the proposed structure review referred to above.

6.0 Managing and Commissioning the Practice

6.1 How the Practice will be managed

It is proposed that the Practice will be managed by a new ‘Head of Legal Practice’, specifically chosen for entrepreneurial and leadership skills as well as management capability and legal expertise (since the post-holder will be expected to run their own high-level legal caseload).

6.1.1 That role will be supported by 2 Legal Services Managers, responsible for the delivery of functional law in specific areas and for the allocation of work to the staff within those teams.

6.1.2 CCC currently has LEXCEL quality accreditation and it would be proposed to extend this to the whole service. This will be an important job for the Head of Legal Practice (See 10.5 below).

6.2 How work will be commissioned

As set out above, client departments will have a major role in developing a Business Plan on an annual basis, along with the Practice, in decisions on whether, when and, if so, how legal work should be commissioned. It will be important for those instructing the new Practice to have a ‘go-to person’ to whom work is referred, able to make decisions on to whom it should be allocated and ensure it is carried out within the client’s requirements and timeframe. It is proposed this should generally be at the appropriate ‘Legal Services Manager’ level. See 3.2 above. For large areas of new work, whether planned or unplanned, or for unexpected major issues (such as major judicial reviews etc), this ‘go-to person’ would be the Head of Legal Practice who can make any necessary resourcing decisions.

6.2.1 Once work has come in, progress will be reported regularly back to clients, together with costs estimates etc.

6.2.2 The management team of the new Practice will have responsibility for ensuring proper on-going monitoring arrangements for work progress and proper client care through the Business Plan and reporting of appropriate 'key performance indicators' with each participating council.

7.0 Governance and Decision-Making Processes

7.1 Details for the governance arrangements for shared service are contained within the covering report elsewhere on this agenda.

7.2 It is proposed that the governance of the Practice be kept as simple as possible, as follows:

(a) The Head of Legal Practice be line managed by the Director of Business Transformation at CCC.

(b) The Practice will have an internal management team made up of the Head of Legal Practice and the Legal Services Managers, with input from others as required. (See 3.2 above)

(c) A POMB will be established to (as necessary) agree or recommend to the PBSS decisions on, for example, commissioning matters, budgets, fee levels and so on, and to monitor performance. This POMB will set the direction for the partnership and will be made up of the Head of Legal Practice and 1 senior officer representative (acting in the role of client officer) from each of the participating authorities. Also on the POMB, in the capacity of 'critical friend' to the Practice, will be an external local authority legal expert (agreed by the partner authorities) to ensure that external challenge is brought to the Practice in order to maintain best practice and innovation.

(d) The Practice will produce an annual Business Plan which will be endorsed by the Joint Committee and which will be available for consideration through the overview and scrutiny arrangements in each participating authority.

8.0 Conflicts of Interest and Confidentiality

8.1 There are specific requirements within the professional codes of solicitors and barristers which set some strict requirements on how lawyers must manage conflicts of interest when acting for more than one client.

- 8.2 Similarly there are strict rules relating to the maintenance of client confidentiality when working for more than one client.
- 8.3 A Protocol and Procedure for such circumstances will need to be developed prior to the commencement of the new service.

9.0 Sharing Costs and Financial Benefits

- 9.1 Details of legal expenditure for all three Council's legal services teams are included at 3.1.2 above.
- 9.2 Funding of the Practice is proposed, for the first two years of operation, to be provided by each Council putting in its already budgeted amount for legal spend for 2015/16. The savings figures for Legal Services already agreed by each Council for year 2015/16 have already been removed from these budgets. For the avoidance of doubt, the figures in 3.1.2 show the projected savings for each council for future years and the Business Plan to be entered into by the participating councils on implementation of the new Practice will include provision that these figures are 'ring fenced' and protected from further reduction unilaterally by any participating council. This excludes spend on externally supplied law that is currently commissioned by client departments. Going forward, such externally supplied work will be commissioned by the Practice on behalf of client departments. It must be noted that the proposal is that each council will be undertaking to effectively 'ring-fence' this contribution at that level.
- 9.3 Where the Practice makes a surplus at the end of any year, this will be distributed back to the participating Councils. Where the Practice makes a 'loss' in any given year, the amount and reasons for this will be reviewed by the PBSS and Joint Committee and reported back to the participating Councils via their appropriate political structure.
- 9.4 External legal expenditure – details on how work will be commissioned are set out at 6.0 - work needed to be undertaken outside the Practice would be paid for by the service requiring the work to be carried out. Where this is required by clients, it will be paid for as a disbursement by clients. In the very rare event that external support is required by the Practice itself, it will be funded by the Practice. It is proposed that a target be imposed on the Practice to reduce external legal spend by 10% (£38k) in the first year of operation.
- 9.5 Income - Each legal team recovers income from successful court proceedings and re-charges to third parties for certain work, most notably planning applicants for Section 106 Agreements. Estimated

income is around £251k in total see 3.1.2. However, we do not have a full picture of all income generated across the three Councils and more work needs to be done to reflect the different treatment of the income. It is worth noting that if earned income is not accounted for in legal services budgets, but put into service budgets instead, there is little incentive for legal services teams to maximise income potential.

- 9.6 It is proposed that monies relating to legal work, such as legal costs recovered in court fees and contributions towards legal costs in S106 cases, be returned to the relevant Council.

10.0 Broader Benefit Realisation of the Proposed Model

- 10.1 *Critical mass* – merging the teams will enable work currently outsourced to external legal suppliers at considerable expense to be undertaken in-house. Section 2.2 above sets out the opportunities for using spare capacity across the Practice.
- 10.2 *Sharing best practice* – it is NOT initially proposed as part of this shared service to provide a ‘one-size-fits-all’ Practice. Client Councils will be able, if they wish, to have their work carried out using the templates and processes which suit them best. However, sharing brings with it clear opportunities for Council’s to pick up national and local best practice and process efficiencies and over time a move to a more standardised approach will be pursued.
- 10.3 *Resilience* – sharing a service means that work is able to be done by a wider range of people. Not only does this mean that work can be undertaken at the best and most efficient level to undertake it but also that there is always someone available to undertake work, during leave periods etc. For those who do not have it, moving to electronic case management and library resource provides essential business continuity support.
- 10.4 *Trading* – a combined service provides critical mass to allow the Practice to consider opportunities for additional income from undertaking external work for other public bodies. While it is undoubtedly true that, as more and more Councils look for opportunities to trade, the pool of available work is shrinking, there are opportunities out there – e.g. work for parish councils, support for the NHS and so on.
- 10.4.1 This brings with it opportunities to partner with both other council legal teams or with private practice law firms in tendering for appropriate work. Such relationships also generally bring other advantages, such as

opportunities for shared (and therefore better value) training or marketing.

10.5 *Accreditation*- Lexcel is the Law Society's legal practice quality mark for excellence in legal practice management and legal client care. Only CCC currently has the Lexcel accreditation. The benefits are that it requires the introduction of sound systems and processes designed to improve client services and produce efficiencies. It is also an indicator to those outside of the Practice that certain professional standards have been set; this will be important as the Practice begins to market its skills more widely. As a combined service it will be difficult to achieve Lexcel accreditation across the three Councils in the first year of operation – so this will mean that as a lead authority, CCC is likely to lose its accreditation until the new Practice is properly integrated and working to the required standard. This would be an important issue for the Head of Legal Practice to pick up as a matter of urgency.

10.6 *Commissioning and Funding*

10.6.1 The Practice provides the participating Councils with the opportunity to conduct a fundamental review of how legal services are both commissioned and funded

10.6.2 This will include gaining a clear understanding of the demand for law in order to ensure law is only requested and provided when necessary under a robust risk assessment. This will ensure that work, which can properly be done by client departments, is not referred to the Practice unless necessary, again under a robust risk assessment.

10.6.3 Funding - the traditional way of approaching legal funding is that Councils generally budget based on what they spent in previous years. Any charging is generally assessed by taking the cost of the legal service, and dividing it proportionally among service users. This 'multi-client' model provides the basis to enable the Practice, if required, to charge an hourly rate for the legal work it does and to do so at different levels depending on the grade of the officer working on it. It also enables the Practice to move to a charging model more akin to that of private practice law firms.

10.6.4 During the first 18 months of operation the Practice will provide legal capacity to the three partner authorities in proportion to the initial investment made by them. Once this level has been reached additional work would be charged for separately. This approach is being followed on the assumption that the budgets received by the Practice at the outset reflect expected demand for legal work from the Practice. This

will allow time for a more detailed assessment of demand for legal services to be undertaken.

11.0 Analysis of Key Risks

11.1 The Shared Service covering report elsewhere on this agenda contains a register of general risks associated with the implementation of shared services. It is believed that the risks arising out of this specific proposal are not high and are easily outweighed by the benefits. A detailed risk register will be developed as part of the new service.

12.0 Implementation

12.1 It is proposed to retain experienced interim support to manage and drive the implementation of the Practice and to manage its operation until the new Practice management structure is in place. The cost of this will be funded via the TCA fund.

12.2 Formal consultation with staff, Unions and Staff Council at HDC will take place during August in accordance with each Councils policy on consultation. The consultation will be in respect of the proposed TUPE arrangements and new management structure.

12.3 The Business Plan will initially be developed in consultation with the clients of the service during August and September and will reflect the contents and principles contained within this business case.

12.4 Staff in scope will transfer to CCC under the Transfer of Undertakings (Protection of Employment) legislation ('TUPE') in their existing roles.

12.5 The implementation of the new Practice management structure will then be undertaken. Following implementation of the new service in October 2015, a detailed and comprehensive staffing review will be undertaken within the first year, based on an assessment of the needs of the new service, and a new structure implemented.

12.6 It will be necessary to implement a move to a joint time recording and case management system (in the short term this will mean extending the use of IKEN and of SharePoint - see 4.1) as part of the initial implementation. Other necessary ICT infrastructure will need to be in place to enable the Practice to operate – for example:

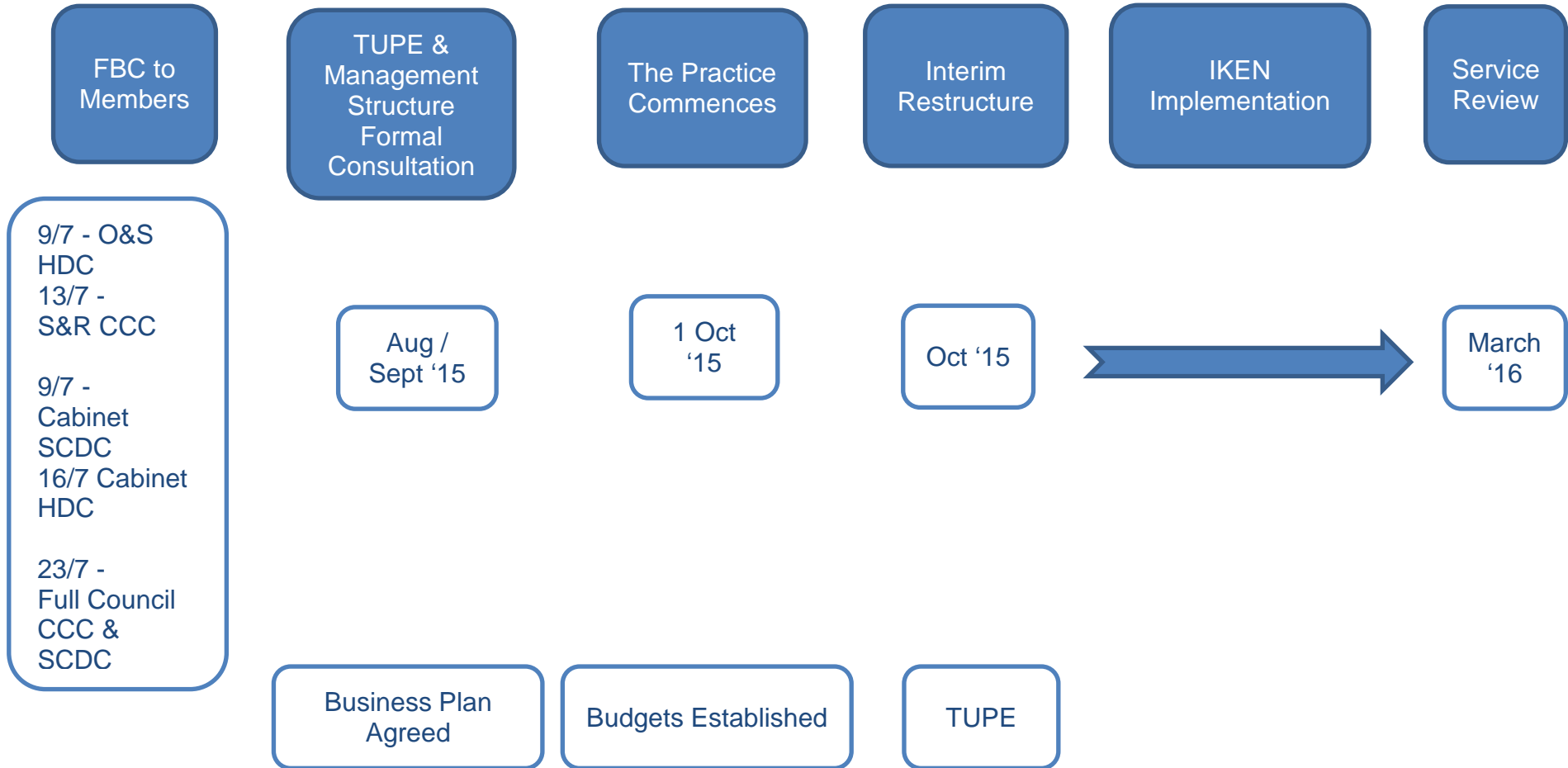
- remote working from home
- remote working from hubs and other locations (e.g. courts, client locations, etc)
- combined electronic library and research systems

- client access to relevant file information and so on.

This will be closely tied in with the proposed ICT shared services and will be funded by the TCA monies.

Timeline for Implementation

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

The public sector has had, and continues to have, a very challenging time as the government implements austerity plans to reduce the national debt. Local government has seen its central government grant cut by around 40%, which has meant that many Councils have had to stop providing most, if not all, of their discretionary services such as community development, sports and arts services and voluntary sector support. Whilst there are signs that the national economic climate may be improving, there are clearly still many difficult years ahead for local government with further budget reductions from central government and increasing demands for statutory services.

Cambridge City Council has worked hard to try and reduce the costs of its services through efficiencies, sharing resources with partner authorities and outsourcing some services to private or not for profit organisations where this has proved cheaper and where quality can be maintained.

As part of this, Cambridge City Council is reviewing the following internal services – Building Control, Legal and Information Technology. This is an EQIA for the three decisions to be considered at the [Council's Strategy and Resources Scrutiny Committee on 13 July](#).

1. The rationale for the establishment of a Building Control Shared Service (BCSS) between Cambridge City Council (CCC), South Cambridgeshire District Council (SCDC) and Huntingdonshire District Council (HDC) is that it will enable each local authority to undertake its statutory duty in implementing and enforcing the building regulations in their area, whilst providing a more sustainable and resilient business model for future service delivery and cost effectiveness. It will enable the development of a five year business plan to generate additional income and create efficiencies which will support enhanced competitiveness in a commercial market.
2. The rationale for the establishment of a shared legal service between CCC, SCDC and HDC is that it will enable a reduction in the externalisation of legal work through the broader sharing of legal capability, increase output from lawyers by managing non-lawyer work away from them, create a single point for commissioning legal services to improve value for money from the process of externalising legal work, increase the opportunity for income generation by offering legal services to public and voluntary sector bodies, and improve staff recruitment, retention and development.
3. The rationale for the establishment of an ICT Shared Service (ICTSS) between CCC, SCDC and HDC is that it will enable the creation of a shared Applications Systems and technical infrastructure to facilitate wider shared service delivery for all Council Services creation of a shared, reduce overall IT cost, increase resilience and capacity and improve staff recruitment, retention and development.

At the moment, it is intended to carry out one Equality Impact Assessment (EqIA) for the three decisions as, although the services themselves are quite different, the impact of the changes if approved, will be largely equivalent in equalities terms for the staff affected and for the community.

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

- Create shared systems, infrastructure and ways of working to facilitate wider shared service delivery for all Council Services.
- Reduce overall costs to the Council and get better value for money.
- Provide a service that is user friendly but enables the development of innovative solutions to deliver services more efficiently.
- Provide increased resilience and capacity to enable the consistent and reliable service delivery required by the public.

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

X Residents – as users of Building Control services.

Visitors

X Staff

A specific client group or groups (please state):

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

New

Revised

Existing

5. Responsible directorate and service

Directorate: Business Transformation, Environment

Service: Legal, ICT and Building Control

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):

Huntingdon District Council and South Cambridgeshire District Council will be partners in delivering the shared services.

7. Potential impact

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

When answering this question, please think about:

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

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

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is currently anticipated.

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(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)

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is anticipated, although development of shared services may facilitate the ability for staff to work from a wider range of workplaces which may have some positive impacts for disabled people

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(c) Gender

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(d) Pregnancy and maternity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(e) Transgender (including gender re-assignment)

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(f) Marriage and Civil Partnership

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or the community who share this characteristic

(g) Race or Ethnicity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff and the community who share this characteristic

(h) Religion or Belief

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(i) Sexual Orientation

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(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):

In the case of each service, the effects are primarily on staff rather than the community.

However, the overall aim of creating shared services is to preserve or enhance the existing service and increase its resilience for the future while reducing unnecessary costs.

This focus on an improved service, with reduced costs, will enable the Council to ensure that its resources are preserved and diverted to those who need it most in line with its anti-poverty strategy.

In the case of legal shared services there may be an opportunity to offer low cost legal advice to public or voluntary sector bodies which may be of general benefit in this context.

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

The Committee reports are going to Strategy and Resources on 13th July 2015. If approved, consultation commence in October 2015. The EqIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

9. Conclusions and Next Steps

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

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

10. Sign off

Name and job title of assessment lead officer:
Brian O'Sullivan - Transformation Programme Manager

Names and job titles of other assessment team members and people consulted:
Sue Chadwick – Corporate Growth Manager
Ian Boulton – Building Control Manager
Ray Ward – Director of Business Transformation
Suzanne Goff – Strategy Officer

Date of completion: 22nd June 2015

Date of next review of the assessment: August 2015

Action Plan

Equality Impact Assessment title: ICT, Legal and Building Control Shared Service

Date of completion: 24/06/2015

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

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

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

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

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

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

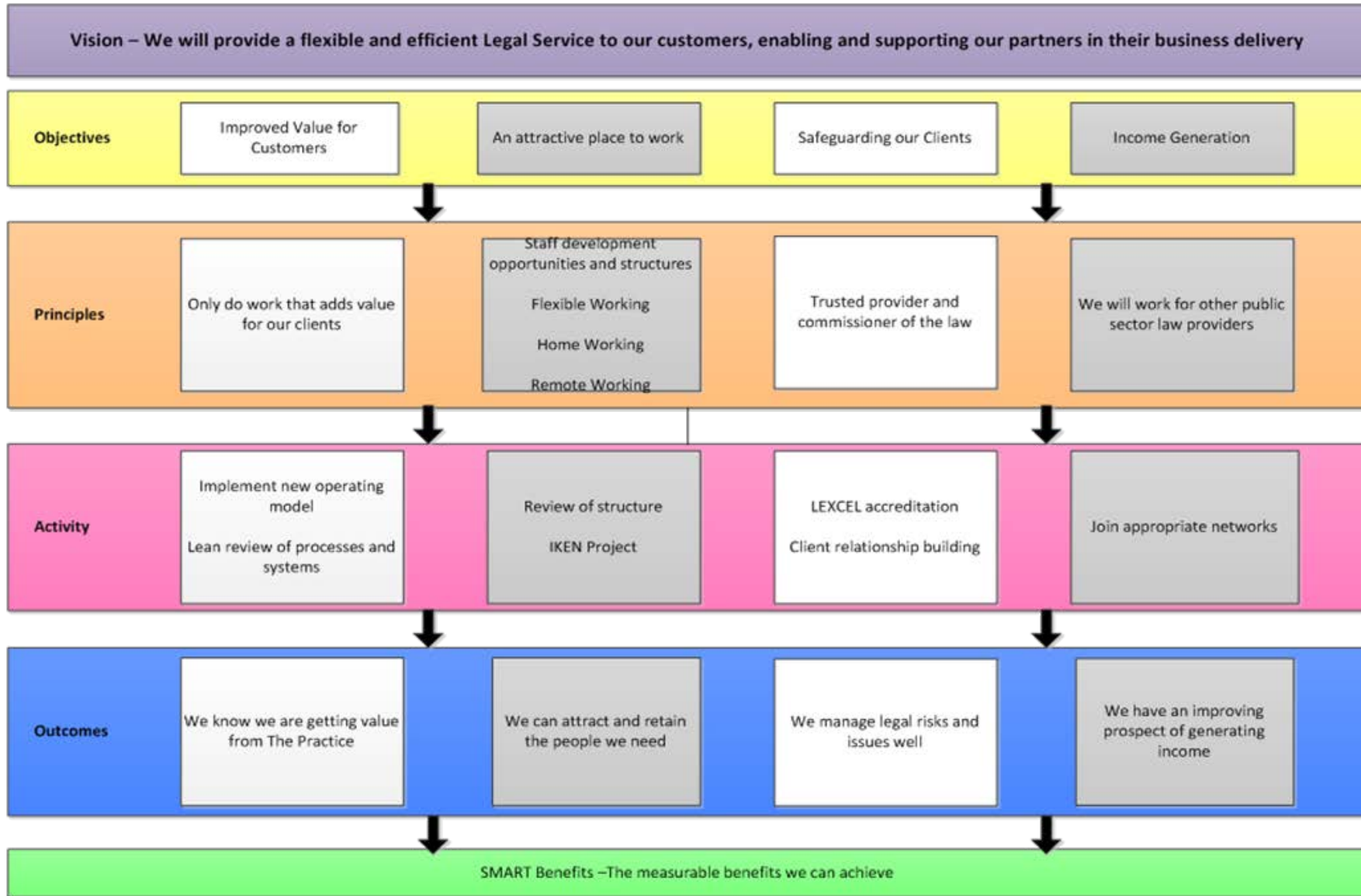
Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	Nil
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

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

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

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

3.0 The Vision for the Practice



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

Report by: Director of Business Transformation

Relevant scrutiny committee: Strategy & Resources
13/7/2015
Scrutiny Committee

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

SHARED ICT SERVICES

Key Decision

Executive summary

- 1.1 Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) have agreed to work in partnership to deliver shared services and have agreed general principles to underpin the approach.
- 1.2 This report provides the business case to establish an ICT Shared Service (ICTSS) between the Councils and details the activity to create the ICTSS.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the Business Case and delegate authority to the Director of Business Transformation to make decisions and to take steps which are necessary, conducive or incidental to the establishment of ICTSS in accordance with the business case.

3. Background

- 3.1 When this matter was last reported in to this committee, approval was given to develop a business case and to appoint an ICT Shared Service Programme Lead. This was funded in full by the Transformation Challenge Award (TCA) made by Government to the three Councils concerned to support their work towards a range of shared service arrangements.
- 3.2 The business case for the establishment of the ICTSS can be found at Appendix A to this report. The rationale for the establishment of a ICTSS between CCC, SCDC and HDC is that it will enable the creation of a shared applications systems and technical infrastructure to facilitate wider shared service delivery for all Council Services, reduce overall IT cost, increase resilience and capacity and improve staff recruitment, retention and development.
- 3.3 It is proposed that HDC will act as the lead authority for the ICTSS; although it is recognised that different ICT teams take on a variety of functions across each Council, the scope of the ICTSS has been agreed by the partner Councils and is described in this business case.
- 3.4 The ICTSS will be created by the TUPE transfer of staff from CCC and SCDC to HDC; this is proposed to happen on 1 October 2015. Interim management arrangements will be put in place prior to the appointment of the proposed Head of the ICT Shared Service.
- 3.5 The gross ICT operating budget of the three Councils in 15/16 is £5.798m. This figure excludes the costs of the contract that the City Council has with Northgate, which is a fixed price contract ending in 2018. Therefore, no savings have been shown against that element of ICT cost and in calculating the ratios of operating budgets at start-up, which is used as the basis for savings and cost distribution, the Northgate element has been excluded. The ratios for 15/16 are therefore CCC 32.7%, HDC 38.4%, SCDC 28.9%. They will change to CCC 41%, HDC 35.7%, SCDC 23.3% in 16/17 because the 16/17 budgets will additionally include the 3 Councils departmental non-staffing IT budgets. An exception to the use of the ratio for cost distribution is in respect of those employees ring-fenced for the proposed management structure where it is proposed that those costs will be borne by the pre – TUPE employer.
- 3.6 As with all service areas within the three Councils, each ICT team has already been challenged to reduce the costs of delivery; savings have accordingly already been taken by each Council from their 15/16 budgets (the last year when each Council approved its own ICT budget if this Business Case is accepted). Reduction of 15% of the net revenue budget after income has been applied for 16/17.

- 3.7 Interim management arrangements will be put in place prior to the appointment of the Head of the ICT Shared Service. This cost is estimated at £80k. There are also costs associated with implementing flexible working across the three Council and options and costings for this are currently in development.
- 3.8 There will be a Service Catalogue which describes the range of services which will be available to users. These service descriptions include details of service availability, support availability and business priority. The Management Team will have responsibility for ensuring proper on-going monitoring arrangements for work progress and proper client care through the agreement and reporting of appropriate 'key performance indicators' with each participating council. A technical roadmap is in development which will target key outcomes to be achieved in creating a single service.
- 3.9 The covering report on shared services, elsewhere on this agenda, details the general principles used to underpin the establishment of shared services between the 3 Councils.

4. Implications

(a) Financial Implications

The ICTSS has a minimum saving target of 15% of net revenue budget after income has been applied.

(b) Staffing Implications

HDC will become the Lead Authority for the ICTSS. As such, identified ICT staff in CCC and SCDC will transfer under TUPE to HDC on the go-live date. Formal consultation with staff, Unions and Staff Council at HDC will take place during August in accordance with each Councils policy on consultation. The consultation will be in respect of the proposed TUPE arrangements and new management structure.

(c) Equality and Poverty Implications

An Equalities Impact Assessment (EQIA) has been carried out. The EqIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

(d) Environmental Implications

Low Positive Impact. Reduction in accommodation and energy use associated will have a positive impact. Potential negative impact from

increased travel will be mitigated by increased mobile and remote working.

(e) Procurement

None

(f) Consultation and communication

This will be conducted in accordance with the Councils agreed policy.

(g) Community Safety

This will be conducted in accordance with the Council's agreed policy.

5. Background papers

Strategy and Resources Shared Services Report – 20 October 2014.

6. Appendices

Appendix A – ICT Shared Service Business Case
Equalities Impact Assessment

7. Inspection of papers

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

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Business Case and Proposal for the formation of a Single ICT Service for Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council

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1.0 Executive Overview

- 1.0 Cambridge City Council ('CCC'), Huntingdonshire District Council ('HDC') and South Cambridgeshire District Council ('SCDC') have agreed the principle of working in partnership to deliver a range of shared services. It is proposed that this takes place on a phased basis, introducing new Shared Services as and when agreed by the three Councils. A successful bid was made to the Transformation Challenge Award (TCA) fund, to take forward these proposals and deliver savings. Included in phase 1 of the shared service programme are ICT services.

The councils wish to use Information Technology (IT) as a means to transform their authorities. Currently there is a mixture of in house (2) and external (1) ICT service models and the Councils have been working on the development of a new operational model, a shared service. The Councils wish to create a shared IT Service by 1 October 2015 and wish to save 15% from the current total operating budget of approximately £5.798 million. The Councils have agreed to move forward with the creation of a joint ICT service, this report sets out the high level plan and the approach to creating the shared IT service.

Although there are some differences in how each of the three Council's ICT teams operates, they are facing similar challenges for the future - namely, how to manage with fewer resources, yet provide the high quality ICT support and development that Councils rely upon. Each Council also recognises the need for a change of culture in the commissioning and delivery of ICT services, particularly as regards the need to develop modern practices, processes and systems and to put in place the IT systems, that enable a more cost effective, flexible and customer focussed approach to service delivery.

The objectives for the shared service can be summarised, in general order of priority as:

- Create a shared IT Applications Systems and technical infrastructure to facilitate wider shared service delivery for all Council Services
- Reduce overall IT costs

- Provide a service that can proactively engage with users and has the “critical mass” to develop innovative and novel solutions to support the Councils in delivering services more efficiently
- Provide increased resilience and capacity to enable the consistent and reliable service delivery required for digital service delivery to the public.

To deliver this it is proposed to form a single service, operating from a central head office and two hub offices. HDC will be the Lead Authority

The operating budget of the new shared service will be £5.027 million for 2016/17. As with all service areas within the three Councils, each ICT team has already been challenged to reduce the costs of delivery; savings have accordingly already been taken by each Council from their 15/16 budgets (the last year when each Council will approve its own ICT service if this Business Case is accepted). These savings are therefore reflected in the starting budget for the new service. It is proposed that the service should be delivered by Huntingdonshire District Council on behalf of the three participating Councils.

The proposal carries some initial investment and it is proposed that this will be funded from the Transformation Challenge Award (TCA) and vacant posts. Interim management arrangements will be put in place prior to the appointment of the Head of the ICT Shared Service. This cost is estimated at £80k. There are also costs associated with implementing flexible working across the three Council and options and costings for this are currently in development.

A service-wide restructuring is proposed and will be subject to consultation alongside the TUPE consultation. It is proposed that the full costs of any redundancies at Head of Service level should be paid for by the originating authority. Any redundancies that may arise as part of that restructuring at officer level should be borne by the three partner authorities in proportion to their contribution in that year to the ICT Shared Service budget. Similarly the potential for pay protection exists and it is proposed that this will be dealt with in the same manner as any redundancy cost.

- 1.1 The proposal offers a sustainable opportunity to stabilize and improve the ICT Service partner Authorities already enjoy. The proposal sets

out clear, specific and realistic measures by which participating authorities may achieve significant, recurring and long term efficiency gains. It also tackles the issue of lack of capacity in certain areas (for all three Councils) by creating a critical mass of capacity. Coupling this with management arrangements that will enable resources to be deployed effectively and efficiently with the adoption of better practices and processes. Another advantage of the proposal is that it will begin to address the issue of recruitment and retention in local authority ICT services by creating an organisation that offers greater opportunities for career progression. Key factors supporting the case for a shared service can be summarised as follows:

- The Councils current ICT Services broadly offer the same scope of services to their customers
- The Councils face the same financial pressures, although to different degrees, with the continuing reduction of central government grants.
- The Councils ICT have similar contracts with the same or different suppliers. Joining these up would produce savings
- The Councils agree that the Cambridge PSN Network is an enabler to provider better and more economic ICT services to their customers
- The Councils ICT have significant areas of commonality in the Line of Business Applications Systems they use e.g. Planning Services systems, where joining up would make efficiency gains.
- The geographic distance between the Councils is generally small allowing for relative easy access for a Shared Service IT Support organisation.
- There is a general consensus that closer working is the future for Council services
- That an ICT Shared Service is a key enabler to wider shared service opportunities
- That ICT in general needs to be kept up to date and modern, to provide the types of services that the public demand
- That the Central Government message of Digital First and Cloud where possible are the future delivery mechanisms for ICT in Councils
- That providing mutual disaster recovery facilities and business continuity methods would benefit all three councils

1.2 The new, more innovation-focussed characteristics of the service will demand a high standard of leadership. The proposal therefore underlines the need to ensure that the senior management team

possesses the right range of managerial, innovation and change management skills necessary to deliver the new service. It also acknowledges the need for the creation of the new post of Head of the ICT Shared Service.

2.0 The Existing Provision of ICT Services

2.1 The three Councils serve a population of 446,300 people (SCDC – 151,400, CCC – 123,900, HDC - 171,000) delivering the same range of public services, Council Tax, Housing Benefits, Waste, Planning, Environmental Health, as well as discreet Leisure and parking service. The three Councils all operate separate ICT services, serving the public service offerings from the Council. With the Government demand for Digital first, the pace of technology change, and the rising uptake by the public of accessing public services over the Internet, demand on ICT can only continue to grow in the future. This represents a huge challenge for the individual IT Services while at the same time offering an opportunity for efficiency and improvement of IT provision for front line services. Individually it is recognised that the IT Services will find it difficult to meet those demands.

2.2 The ICT services currently provide services to:

- 2000 ICT users across the 3 councils
- HDC ICT serve 650 Users across 18 sites
- SCDC ICT serve 350 Users across 2 sites
- CCC ICT serve 1000 Users across 40 sites (6 core sites)

2.3 The current total operating budget for the three services is £5.798 million

- SCDC ICT BUDGET £1,349,480
- HDC ICT BUDGET £2,071,896
- CCC ICT BUDGET £2,377,538

Whereas the ICT services for HDC and SCDC are currently insourced, CCC operates a mixed economy whereby many of the core ICT services (application support, helpdesk) are outsourced to Northgate. For CCC, the non-Northgate provided services are assumed to be within the scope of the ICT Shared Service from day

1, as are the staff costs for the onwards management of that contract. Budget for operation of that contract will remain with CCC.

Additionally, some ICT costs included within other sections of the Council budgets will also be transferred to the ICT Shared Service to centrally manage. These details are still being finalised.

2.4 Staffing costs

Full staffing costs are shown in Section 9, below.

3.0 The Shared Vision and Options - The Brief

3.1 The three Councils have previously agreed some general principles:

Shared Service Models

The lead authority model would best suit our circumstances. Under this model, one authority would be responsible for the Shared Service, including staff TUPEd on their substantive terms and conditions from the remaining two authorities. However, shared member and officer governance arrangements would be put in place to oversee performance. The lead authority model is the starting point for considering shared services; other models may be explored over time once a shared service has been created.

Lead and host authority arrangements

It has been agreed that authorities should equitably share between them the lead authority roles for specific services. Location (i.e. host authority) will not necessarily follow the lead authority, but will be an operational decision made on a service by service basis as part of each business case. It is proposed that HDC should lead on the ICT Shared Service.

Cost sharing/efficiencies

There are a number of cost-sharing models in operation elsewhere. It has been agreed that in the first instance we should adopt a simple and transparent approach that does not create a significant amount of work that is disproportional to potential outcomes. The existing 15/16 budget provision from the budget of each ICT service, will be incorporated to form the Shared Service budget. This is net of the identified savings within those budgets which will be achieved by the

Councils concerned prior to the transfer of the budgets to the legal shared service.

Once the Shared Service is in operation and has gathered some baseline data, it will develop an approach by which each Council can determine the performance required and target potential efficiencies. Any surplus would then be distributed back to the Councils in proportion to the proportion of the cost borne by each partner.

Scope

Although it is recognised that different ICT teams take on a variety of functions across each Council, the scope of the ICT shared service has been agreed by the partner Councils and is described in this business case.

This will create some disaggregation issues for participating Councils as there are staff out of scope currently within ICT services and staff within scope who currently manage staff not within the ICT team – these issues will be managed within the respective Councils.

Staff in scope will transfer to HDC under the Transfer of Undertakings (Protection of Employment) legislation ('TUPE'). On implementation of the new service in October 2015, staff will move into a new structure this will be subject to consultation alongside the TUPE consultation.

The job description for the Head of the ICT Shared Service has yet to be evaluated but, dependant on the outcome of such evaluation, existing staff may be ring-fenced for consideration for the role.

3.2 The following assumptions and pre-requisites have been applied:

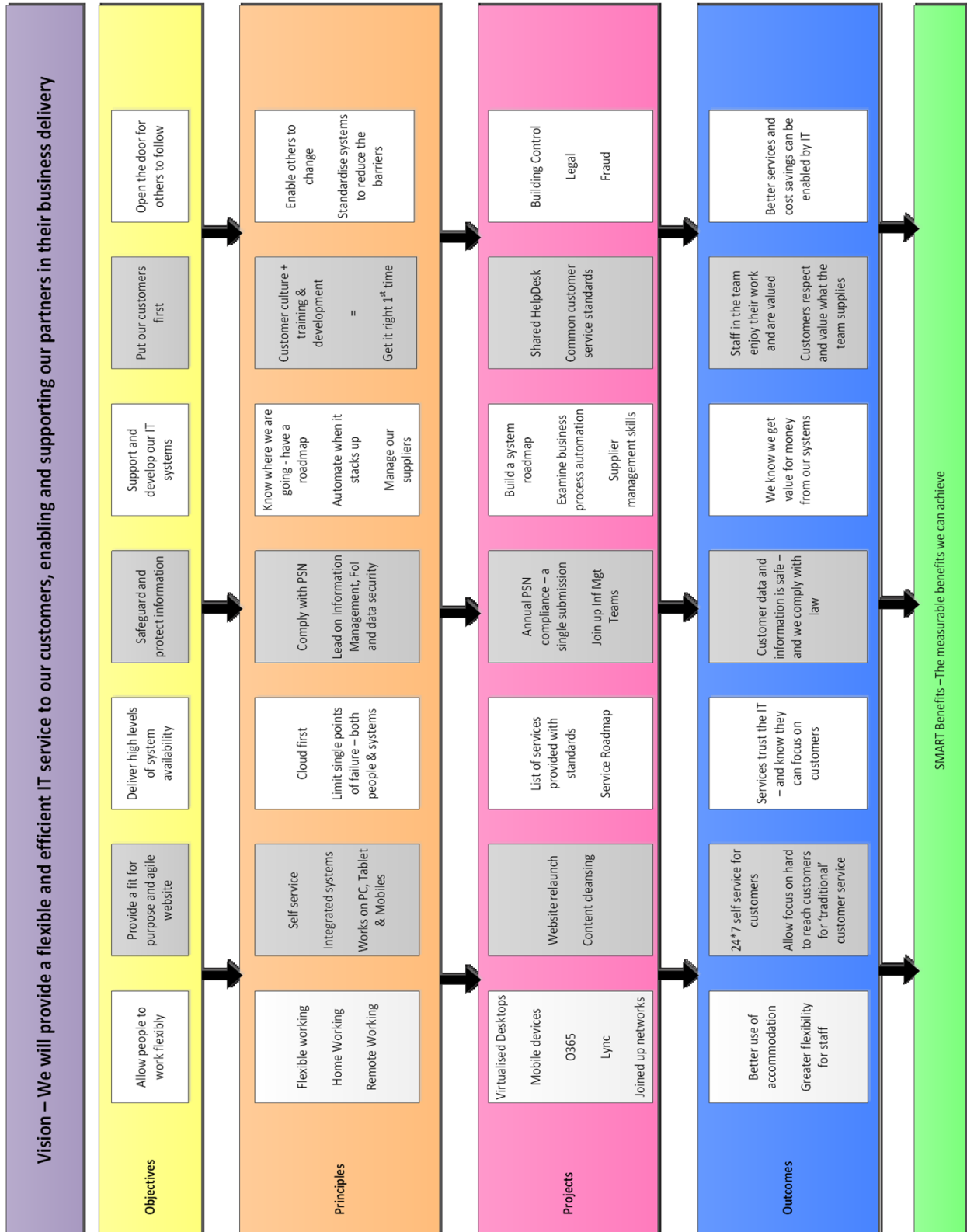
- That, subject to consultation with the affected staff, the Unions, Staff Council and the democratic processes of each council, the ICT Shared Service would be implemented with effect from the date that staff TUPEd in to it, currently estimated to be 1 October 2015. Staff within the CCC and SCDC ICT teams would TUPE transfer across to the lead authority, HDC. They would continue to be employed under their previous pay and terms and conditions.
- The business case is based upon the need to increase resilience, improve the quality of service to clients, become more efficient

and increase capacity within the service to drive innovation and technology enabled change across all three Councils.

- Interim support will be appointed, subject to this Business Case being approved, for a period up until the recruitment of the Head of ICT Shared Service, to manage the Shared Service creation and begin the implementation of flexible working technologies and joint working where quick wins have been identified. This person is recommended to be someone with experience of transforming/merging services and with strong project management skills.
- Following the merger, there will be on-going review of the Service. This will include analysing the current skills, expertise and development needs, matching them to ICT needs now and those expected going forward. There will be a review of the systems and processes to ensure that they support a modern and efficient way of working.
- Alongside the other proposed shared services, there will be an agreed 'intelligent client' approach to manage the interface between those providing and those commissioning services.
- The desktop technology used today varies significantly between Councils (e.g. Thin Client / Virtual Desktop vs. Laptops). Similarly, much of the equipment is quite new, with significant usable asset life remaining. Therefore, rather than forcing a "one size fits all" mentality, in some areas it is realistic to expect some parallel solutions in the short term (e.g. Flexible Working), with convergence in the medium and long term.

The diagram below provides a graphical portrayal of the Vision for the ICT Shared Service:

Vision for the ICT Shared Service



4.0 What we aim to achieve - Opportunities for an improved service

4.1 The expected outcomes from the shared service include:

- Drive to standardisation, consequently reducing costs and increasing value for money.
- Improving resilience – better able to prevent service loss or interruption and cope with peaks in workload and staff absences. A larger team will also give each council access to a greater breadth and depth of professional expertise.
- Reduced external expenditure – additional resources and a broader skills base will lead to a reduction in the need for external advice. Where this is required, the combined purchasing power of all three councils should lead to more competitive procurement rates.
- Improved customer service – access to a more comprehensive ICT service should result in a better and a more responsive service to officers and members.
- Decreased fixed costs – sharing or joining up ICT services across the three Councils should lead to savings in management, hardware, software, services, administrative support and accommodation costs.
- Alignment of costs with usage – with ICT as a utility the Councils will pay for only that which they use but also have the flexibility to support others or adopt new local business activity.
- Remodelling of ICT services – bringing together the ICT services of three councils gives the opportunity to look at models of operation that are not suitable or feasible for those councils at an individual level.
- Staff development – a larger service will increase the opportunity for staff development, by allowing staff to work across a broader range of areas, or to become more specialised as appropriate.
- Staff recruitment/retention – greater work opportunities should improve staff retention and help to reduce turnover. A larger shared service could provide increased opportunity to consider participating in a higher apprentice training scheme (growing our own).
- Improved support for ICT users to ensure that the technical strategy aligns with and enables client council objectives, such as introducing “digital first” services.

4.2 Improved Key Performance Indicators

Setting some key performance indicators across the team will assist in driving forward some performance standards to be agreed between the partner Councils – which could include, for example:

- % efficiency saving to be delivered by the Service each year
- Customer satisfaction survey levels not to drop below 90%

Key performance indicators for the shared ICT service will form part of the commissioning agreement.

KPI performance would be managed by the Management Team of the Service and reported to each meeting of the ICT Management Board as well as reported formally back to members through the Joint Committee (and more frequently on an exceptions basis). The ICT Shared Service will also be reporting quarterly to the Shared Services Programme Board and the Joint Committee.

5.0 The Delivery Vehicle for the New Service

- 5.1 It is not proposed at this stage to set up a completely new legal entity for the proposed service. To avoid any unnecessary regulatory burden, in the first instance it is proposed that all staff would be employed by the lead authority, Huntingdonshire District Council. This will require staff in scope from CCC and SCDC to transfer (under the provisions of TUPE) to HDC. The proposed timeline for this process is set out in Appendix 1.

The proposal is to initially organise the Service around a head office in Huntingdon with onsite support through hub offices in Cambridge and Cambourne. This will be reviewed within the first six months of operation.

To deliver an effective and efficient ICT service for its clients, the new shared service will require:

- Sufficient office accommodation
- Appropriate IT systems
- Sufficient suitable qualified staff to undertake the full range of ICT support work necessary – to be ascertained through the proposed structure review referred to above.

One decision which will need to be made by the partners as early as possible is the name by which the new service is to be known – it is extremely important for the new service to have a separate identity from its participating Councils in order for all staff to feel they are ‘pulling together’ for a single entity. This is currently being addressed by the Shared Services programme.

6.0 Managing and Commissioning the Shared Service

6.1 How the Service will be managed

It is proposed that the service be managed by a Head of ICT Shared Service, specifically chosen for entrepreneurial and leadership skills as well as management capability and ICT expertise.

6.2 How the Service will be commissioned

Client departments will have a major role, along with the shared service, in decisions on whether, when and how ICT work should be commissioned. It will be important for those instructing the new service to have a ‘go-to person’ to whom work is referred – able to make decisions on to whom it should be allocated and ensure it is carried out within the client’s requirements and timeframe. For large areas of new work, whether planned or unplanned, or for unexpected major issues (such as major system failures etc), this ‘go-to person’ would be the Head of the shared service who can make any necessary resourcing decisions. It will also be essential for there to be an agreed programme of priority projects to be agreed which will support delivery of the technology road map and systems integration that is fundamental to driving out savings and efficiencies in the new service.

6.3 How the Services are defined

There is a Service Catalogue which describes the range of services which will be available to users. These service descriptions include details of service availability, support availability and business priority.

The Management Team will have responsibility for ensuring proper on-going monitoring arrangements for work progress and proper client care through the agreement and reporting of appropriate ‘key performance indicators’ with each participating council.

7.0 Governance and Decision-Making Processes

7.1 This is described within the over-arching Shared Services paper. The ICT Shared Service will adhere to the common principles and framework which has been agreed by the three Partners.

In addition, the following has also been proposed for ICT Shared Service:

- The Head of ICT Shared Service be line managed by the Corporate Director - Services at HDC.
- The service will have an internal management team which will be confirmed as the structure is developed, with input from others as required.
- An ICT Management Board (senior officer level) will make decisions on, for example, commissioning matters, budgets, surplus profit share, fee levels and so on, and to monitor performance. This Board will set the direction for the partnership and will be made up of the Head of ICT Shared Service and one senior officer representative from each of the participating authorities. Also on the Board, in the capacity of 'critical friend' will be an external local authority ICT expert (agreed by the partner authorities) to ensure that external challenge is brought to the service in order to maintain best practice and innovation.
- The service will produce an annual Business Plan which will be available for consideration through the overview and scrutiny arrangements in each participating authority.

8.0 Key Challenges for the current ICT services

8.1 The key challenges for the current ICT services include:

- **Making savings:** ICT needs to make savings to contribute to the Council's efficiencies savings.
- **ICT Modernisation:** ICT services must continue to modernise throughout the plan period – investing for the future.
- **Recruitment:** Due to location in the country, recruiting skilled ICT staff is difficult. The local Research & Development business sector provides significant competition in the challenge to attract and retain highly skilled staff.

9.0 Sharing Costs and Financial Benefits

9.1 Details of combined expenditure for all three Council's ICT teams are as follows:

Financial Summary

Budget category	Year 0 2015/16 (*)	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
Capital	£-	£-	£-	£-	£-	£-
Staff costs	£1,343,662	£2,741,070	£2,795,891	£2,851,809	£2,908,845	£2,967,022
Other costs	£-	£3,173,823	£3,237,299	£3,302,045	£3,368,086	£3,435,448
Charges	£-	£-	£-	£-	£-	£-
Total Costs (net of CCC/Northgate contract)	£1,343,662	£5,914,893	£6,033,191	£6,153,854	£6,276,931	£6,402,470
less savings @ 15% from year 1 onwards	£-	£887,234	£904,979	£923,078	£941,540	£960,371
Net Costs with 15% savings applied	£1,343,662	£5,027,659	£5,128,212	£5,230,776	£5,335,392	£5,442,100
CCC / Northgate Contract costs (**)	£339,340	£678,680	£678,680	£678,680	£678,680	£678,680
Grand Totals	£1,683,002	£5,706,339	£5,806,892	£5,909,456	£6,014,072	£6,120,780

(*) Year 0 figures are for the six month period from October 2015 to Mar 2016. Year 0 figures assume savings already taken from Partners prior to baseline budget setting

(**) Table shows total ICT costs, including those within the current CCC/Northgate contract. No forecast savings are shown on CCC/Northgate as this is fixed price contract

Proposed Apportionment of Partner Contributions

Apportionment of Costs	Year 0 2015/16	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
Cambridge City Council	32.7%	41.0%	41.0%	41.0%	41.0%	41.0%
Huntingdonshire District Council	38.4%	35.7%	35.7%	35.7%	35.7%	35.7%
South Cambridgeshire DC	28.9%	23.3%	23.3%	23.3%	23.3%	23.3%
Grand Totals	100%	100%	100%	100%	100%	100%

Cost of ICT Shared Service by Partner***

ICT Shared Service costs per partner	Year 0** 2015/16	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
Cambridge City Council (incl. CCC/Northgate)	£778,960	£2,740,006	£2,781,232	£2,823,283	£2,866,175	£2,909,925
Huntingdonshire District Council	£515,697	£1,796,334	£1,832,261	£1,868,906	£1,906,284	£1,944,410
South Cambridgeshire DC	£388,345	£1,169,999	£1,193,399	£1,217,267	£1,241,612	£1,266,445
Grand Totals	£1,683,002	£5,706,339	£5,806,892	£5,909,456	£6,014,072	£6,120,780

(***) Note: in Year 0, only staff costs are shown (with the exception of the Cambridge City Council Northgate cost which are included), because non-staff costs will continue to be managed by the Councils for the remainder of the financial year. Non-staff costs will be managed by the ICT Shared Service from the beginning of 2016/17

Savings from ICT Shared Service by Partner

ICT Shared Service savings per partner	Year 0 2015/16	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
Total Savings in Yr vs. 15/16 baseline	£-	£887,234	£904,979	£923,078	£941,540	£960,371
Cambridge City Council	£-	£363,763	£371,039	£378,459	£386,029	£393,749
Huntingdonshire District Council	£-	£317,000	£323,340	£329,807	£336,403	£343,131
South Cambridgeshire DC	£-	£206,470	£210,600	£214,812	£219,108	£223,490
Grand Totals	£-	£887,234	£904,979	£923,078	£941,540	£960,371
<i>Cumulative Total Saving</i>	<i>£-</i>	<i>£887,234</i>	<i>£1,792,212</i>	<i>£2,715,291</i>	<i>£3,656,830</i>	<i>£4,617,201</i>

9.2 Funding of the Service is proposed for the first two years of operation to be provided by each Council putting in its already budgeted amount for ICT spend for 2015/16. The savings figures for ICT Services already agreed by each Council for year 2015/16 have already been removed from the budget figures.

9.3 There will be proportionate cost sharing & savings throughout the life of the ICT Shared Service.

9.4 There will also be a similar proportionate cost sharing arrangement for set-up costs of the new service, net of any TCA contribution.

9.5 Our financial model is projecting year 1 savings across the ICT Shared Service amounting to £0.887 million in total relative to the 2015/16 baseline. This figure will be reviewed after the proposed new

staffing structure is developed and once the technology roadmap has been completed.

10.0 Business Case

- 10.1 **ICT Service alone** - By combining the three ICT services into a single unit providing ICT services to the three councils there is opportunity for cost savings and service efficiencies.
- Combining current contracts for the same type of service - e.g.
 - Support contracts for planning system etc.
 - Support contract for email and security etc.
 - Opportunity to reduce disaster recovery costs through mutual assurance
 - Reducing head count in the delivery of the Service
 - Reduced licence counts for software e.g. VMWare licences, MS SQL,
 - De-duplication of ICT administrative processes - such as purchase order process, contract reporting
 - Combined procurement values will be higher, so may be able to gain reduced pricing for bulk buying.
- 10.2 **Project “Rolling Business Case”** - Each project that will look to produce savings from the shared ICT Service will have its own detailed business case. For example any decision to converge on a single system or platform such as a planning system, security system or finance system will be fully costed on its own merits. By using this process, projects as a result of the shared service must show benefit to the three Councils. For each project the costs and benefits will be clarified and apportioned in line with the agreed cost and profit sharing model. Following completion of each project the costs of operation of the service will be adjusted taking into account the allocation of costs and benefits.
- 10.3 **ICT as an Enabling Service** - By combining the three ICT services into a single unit the receiving services will benefit enormously through improved customer service. The knock on effect of this can result in a real improvement in their service delivery.
- Improved customer service – access to a more comprehensive ICT service should result in a better and a more responsive service to officers and members.

- The receiving service in turn will be able to provide a better more efficient service to their customers if they are receiving a faster response to incidents and requests from ICT
- With ICT having greater access to skills and resources, changes the services require in ICT, to improve their service, will be delivered more efficiently and effectively.
- Improvement in ICT service delivery will mean ICT are spending less time in “break / fix” mode and far more in customer facing project delivery, and transformation change mode. With services having their IT related projects delivered better, their service in turn will also improve.
- In the 21st century ICT underpins the delivery of council services. With a shared ICT service, the door to greater shared services across the partners is much wider.

10.4 Benefits/Outcomes

- An ICT service that has the capability and capacity to meet the future demands of the Councils
- Greater efficiency and reduced duplication in ICT Services
- Better access to and sharing of information for performance management and benchmarking
- Increased customer self-service for straightforward interactions
- Continuity and resilience of service
- Raising quality and adding value to existing services
- Securing cost savings and sustainable efficiencies
- Releasing staff time for more customer facing activities
- Improving system scalability
- Ensuring improved and more up-to-date systems
- Ability to offer otherwise unsustainable services
- Levering transformation

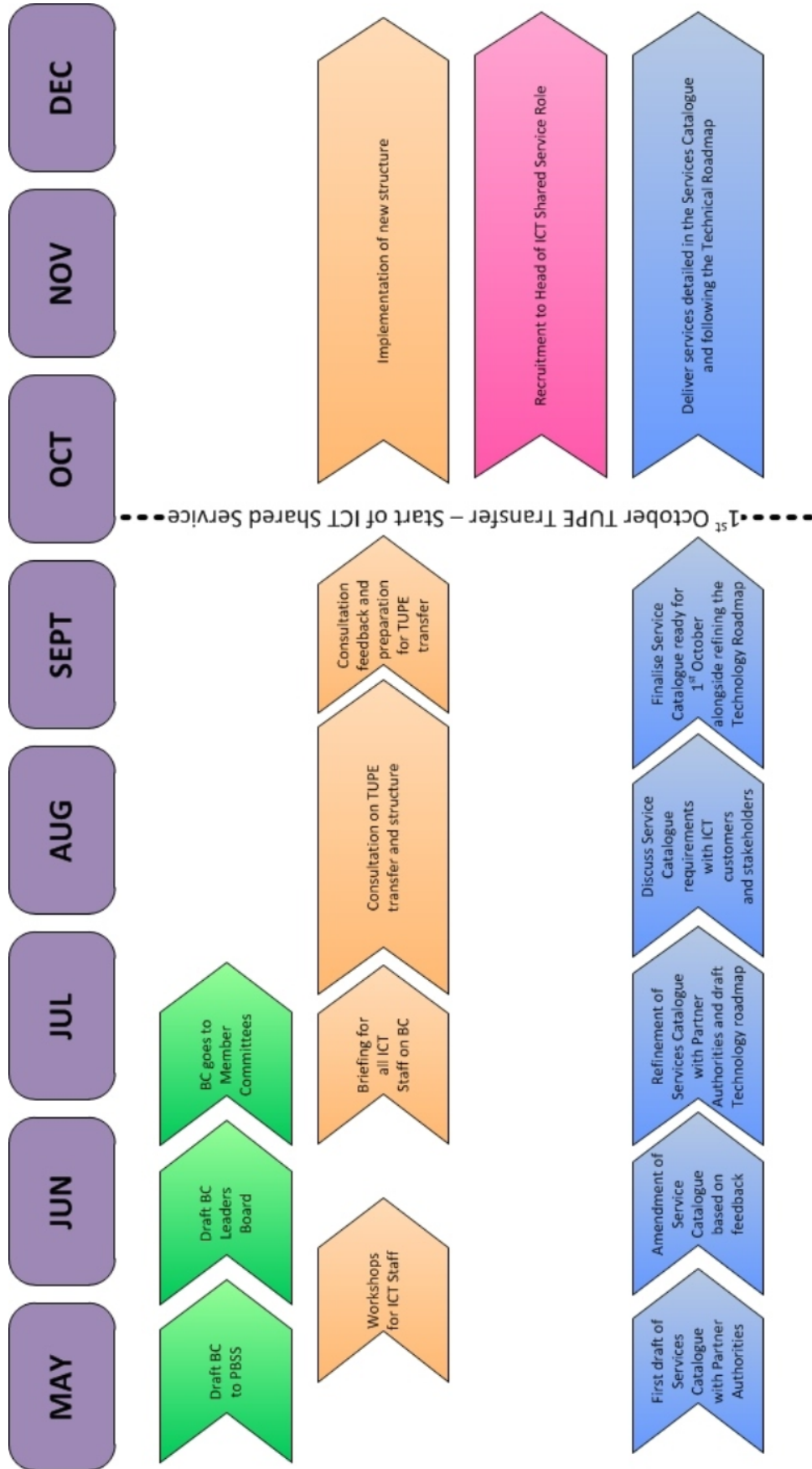
11.0 Analysis of Key Risks and issues for transition to the Shared Service

- 11.1 It is believed that the risks arising out of this proposal are not high and are easily outweighed by the benefits. However, a detailed risk register will be developed as part of the creation of the new service, to cover the risks already identified and any others arising.

12.0 Implementation

See Appendix 1 for high level implementation timeline.

Appendix 1 - Timeline for Implementation



Cambridge City Council Equality Impact Assessment

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

The public sector has had, and continues to have, a very challenging time as the government implements austerity plans to reduce the national debt. Local government has seen its central government grant cut by around 40%, which has meant that many Councils have had to stop providing most, if not all, of their discretionary services such as community development, sports and arts services and voluntary sector support. Whilst there are signs that the national economic climate may be improving, there are clearly still many difficult years ahead for local government with further budget reductions from central government and increasing demands for statutory services.

Cambridge City Council has worked hard to try and reduce the costs of its services through efficiencies, sharing resources with partner authorities and outsourcing some services to private or not for profit organisations where this has proved cheaper and where quality can be maintained.

As part of this, Cambridge City Council is reviewing the following internal services – Building Control, Legal and Information Technology. This is an EQIA for the three decisions to be considered at the [Council's Strategy and Resources Scrutiny Committee on 13 July](#).

1. The rationale for the establishment of a Building Control Shared Service (BCSS) between Cambridge City Council (CCC), South Cambridgeshire District Council (SCDC) and Huntingdonshire District Council (HDC) is that it will enable each local authority to undertake its statutory duty in implementing and enforcing the building regulations in their area, whilst providing a more sustainable and resilient business model for future service delivery and cost effectiveness. It will enable the development of a five year business plan to generate additional income and create efficiencies which will support enhanced competitiveness in a commercial market.
2. The rationale for the establishment of a shared legal service between CCC, SCDC and HDC is that it will enable a reduction in the externalisation of legal work through the broader sharing of legal capability, increase output from lawyers by managing non-lawyer work away from them, create a single point for commissioning legal services to improve value for money from the process of externalising legal work, increase the opportunity for income generation by offering legal services to public and voluntary sector bodies, and improve staff recruitment, retention and development.
3. The rationale for the establishment of an ICT Shared Service (ICTSS) between CCC, SCDC and HDC is that it will enable the creation of a shared Applications Systems and technical infrastructure to facilitate wider shared service delivery for all Council Services creation of a shared, reduce overall IT cost, increase resilience and capacity and improve staff recruitment, retention and development.

At the moment, it is intended to carry out one Equality Impact Assessment (EqIA) for the three decisions as, although the services themselves are quite different, the impact of the changes if approved, will be largely equivalent in equalities terms for the staff affected and for the community.

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

- Create shared systems, infrastructure and ways of working to facilitate wider shared service delivery for all Council Services.
- Reduce overall costs to the Council and get better value for money.
- Provide a service that is user friendly but enables the development of innovative solutions to deliver services more efficiently.
- Provide increased resilience and capacity to enable the consistent and reliable service delivery required by the public.

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

X Residents – as users of Building Control services.

Visitors

X Staff

A specific client group or groups (please state):

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

New

Revised

Existing

5. Responsible directorate and service

Directorate: Business Transformation, Environment

Service: Legal, ICT and Building Control

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):

Huntingdon District Council and South Cambridgeshire District Council will be partners in delivering the shared services.

7. Potential impact

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

When answering this question, please think about:

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

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

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is currently anticipated.

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(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)

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is anticipated, although development of shared services may facilitate the ability for staff to work from a wider range of workplaces which may have some positive impacts for disabled people

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(c) Gender

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(d) Pregnancy and maternity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(e) Transgender (including gender re-assignment)

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(f) Marriage and Civil Partnership

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or the community who share this characteristic

(g) Race or Ethnicity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff and the community who share this characteristic

(h) Religion or Belief

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(i) Sexual Orientation

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(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):

In the case of each service, the effects are primarily on staff rather than the community.

However, the overall aim of creating shared services is to preserve or enhance the existing service and increase its resilience for the future while reducing unnecessary costs.

This focus on an improved service, with reduced costs, will enable the Council to ensure that its resources are preserved and diverted to those who need it most in line with its anti-poverty strategy.

In the case of legal shared services there may be an opportunity to offer low cost legal advice to public or voluntary sector bodies which may be of general benefit in this context.

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

The Committee reports are going to Strategy and Resources on 13th July 2015. If approved, consultation commence in October 2015. The EqIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

9. Conclusions and Next Steps

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

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

10. Sign off

Name and job title of assessment lead officer:

Brian O'Sullivan - Transformation Programme Manager

Names and job titles of other assessment team members and people consulted:

Sue Chadwick – Corporate Growth Manager

Ian Boulton – Building Control Manager

Ray Ward – Director of Business Transformation

Suzanne Goff – Strategy Officer

Date of completion: 22nd June 2015

Date of next review of the assessment: August 2015

Action Plan

Equality Impact Assessment title: ICT, Legal and Building Control Shared Service

Date of completion: 24/06/2015

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

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

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

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

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

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

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

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

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

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



To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: Director of Business Transformation
Relevant scrutiny committee: Strategy & Resources 13/7/2015
Scrutiny Committee
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

SHARED BUILDING CONTROL SERVICES

Key Decision

1. Executive summary

- 1.1 Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) have agreed to work in partnership to deliver shared services and have agreed general principles to underpin the approach.
- 1.2 This report provides the business case to establish a Building Control Shared Service (BCSS) between the Councils and details the activity to create the BCSS.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the Business Case and delegate authority to the Director of Environment to make decisions and to take steps which are necessary, conducive or incidental to the establishment of the shared service in accordance with the business case.

3. Background

- 3.1 When this matter was last reported to the Environment Scrutiny committee, approval was given to develop a business case and appoint an interim shared Building Control Manager to help develop the business case and the design of the new service.
- 3.2 The business case for the establishment of the BCSS can be found at Appendix A to this report. The rationale for the establishment of a BCCS between CCC, SCDC and HDC is that it will enable each local authority to undertake its statutory duty in implementing and enforcing the building regulations in their area, whilst providing a more sustainable and resilient business model for future service delivery and cost effectiveness. It will enable the development of a five year business plan to generate additional income and create efficiencies which will support enhanced competitiveness in a commercial market.
- 3.3 CCC will act as the lead authority for the BCSS. The Building Control service is responsible for helping to ensure delivery of safe, healthy, accessible and sustainable buildings. It has a unique role, within the local authority, of providing a statutory function within a commercial environment.
- 3.4 Its opening operating net budget will be £505,260 combining the 15/16 operating budgets for each of the 3 current building control service operations. The 15/16 starting budgets are net of any savings already agreed. The ratio of budget contribution at start up is CCC 43%, SCDC 25%, HDC 32%. This ratio forms the basis of savings distribution and additional costs incurred such as redundancy, pay protection etc. An exception to this is in respect of those employees ring-fenced for the proposed management structure where it is proposed that those costs will be borne by the pre-TUPE employer.
- 3.5 The BCSS will be created by the TUPE transfer of staff from HDC and SCDC to CCC. The proposed date for TUPE transfer is 1 October 2015. It is proposed to appoint a new Shared Service Building Control Manager following TUPE transfer. A review will then be undertaken of the rest of the staffing structure with the aim of establishing any new arrangements by 1 April 2016.
- 3.6 Set up costs of £80k have been identified; these will be covered by the TCA award and are not at additional cost to the participating Councils. An Interim Manager has been appointed, on secondment, to help develop the business case.
- 3.7 The work of the BCSS will be driven by the BCSS Business Plan agreed with the three client Councils. The Business Plan will identify

what has to be delivered by BCSS and establish the means for measuring and assuring its performance. The Business Plan will be agreed on an annual basis and will be a key element of the operational plan for the BCSS.

- 3.8 Since the last report the Councils have taken external legal advice on the shared service. The advice has indicated that operating the external trading element of the building control service on a shared basis could present difficulties under the Public Contract Regulations 2015 and could trigger the need for a formal procurement. Officers are considering the advice and are in discussion with the external legal advisers. If there is a need to depart significantly from the proposals set out in the Business Plan, officers will seek further authority to proceed.
- 3.9 The Councils' approach to shared service is based on not delegating responsibility for the discharge of statutory functions. However, there will need to be a level of day to day delegation to allow officers within the shared service to continue to exercise statutory building control functions as they do under the Councils' schemes of delegations to officers; e.g. statutory approvals. This will require formal delegation of certain functions to the lead council. Further work is needed to draw up a scheme of delegation to the lead council and authority will be sought before 1 October.

4. Implications

(a) **Financial Implications**

The BCSS has a minimum saving target of 15% of net revenue budget after income has been applied.

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

CCC will become the Lead Authority for the BCSS. As such, identified Building Control staff in HDC and SCDC will transfer under TUPE to CCC on the go-live date. Formal consultation with staff, Unions and Staff Council at HDC will take place during August in accordance with each Council's policy on consultation. The consultation will be in respect of the proposed TUPE arrangements and new management structure.

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

An Equalities Impact Assessment (EQIA) has been carried out. The EQIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

(d) **Environmental Implications**

Low Positive Impact. Reduction in accommodation and energy use associated will have a positive impact. Potential negative impact from increased travel will be mitigated by increased mobile and remote working.

(e) **Procurement**

The recent changes to the European procurement regulations have an implication on commercially operating public services. One option being examined, if there is a problem, if the scope for mitigating the impact by setting up an appropriate delivery vehicle for the service.

(f) **Consultation and communication**

This will be conducted in accordance with the Councils agreed policy.

(g) **Community Safety**

This will be conducted in accordance with the Council's agreed policy.

5. Background papers

Strategy and Resources Shared Services Report – 20 October 2014.

6. Appendices

Appendix A - Building Control Shared Service Business Case
Equalities Impact Assessment

7. Inspection of papers

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

Author's Name: Ray Ward
Author's Phone Number: 01223 – 457325
Author's Email: Ray.ward@cambridge.gov.uk

Version 6f



Business Case and Proposal for the formation of a Building Control Shared Service for Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council v.4f

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1.0 Executive Overview

- 1.1 Cambridge City Council ('CCC'), Huntingdonshire District Council ('HDC') and South Cambridgeshire District Council ('SCDC') have agreed the principle of working in partnership to deliver a range of shared services. It is proposed that this takes place on a phased basis rather than have one large implementation of a wide range of shared services. A successful bid was made to the Transformation Challenge Award (TCA) fund, to take forward these proposals and deliver savings. Included in Phase 1 of the shared service programme is building control.
- 1.1.2 Each Council is seeking to support economic growth within the area and as a consequence needs to provide effective and efficient services. The building control service is responsible for ensuring delivery of safe, healthy, accessible and sustainable buildings, and operates within a commercial and competitive arena.
- 1.1.3 The landscape in which frontline services are designed, structured and delivered is changing rapidly in response to new legislation, government policy and changing market conditions. Building control consultancy services have become increasingly competitive with significant growth in the number of private sector companies offering building control plan assessment and inspection services. The future resilience of the three local authority building control services is a key consideration in the decision to move towards a shared service delivery model.
- 1.1.4 Nationally, standalone local authority building control services teams are unable to maintain a staffing level that provides the specialist skills and knowledge required to deliver a high quality, customer focussed service; this is becoming increasingly difficult as experienced building control surveyors retire or leave local authority building control to join approved inspectors (private building control bodies). Solutions have been to join forces with others to create a critical mass, target efficiencies, and actively seek to maximise income generating opportunities. That is what is being proposed here.
- 1.1.5 It is proposed to form a single Building Control Shared Service (BCSS), consisting of building control surveyors, technical officers and support staff, operating from 2 office locations in Cambridge City and Huntingdon.
- 1.1.6 The total net budget of the new shared service will be £505,260. As with all service areas within the three Councils, each building control

team has already been challenged to reduce the costs of delivery; savings have accordingly already been taken by each Council from their 2015/16 budgets (the last year when each Council will approve its own building control service budget if this Business Case is accepted). These savings are therefore not reflected in the starting budget for the new service.

- 1.1.7 It is proposed that the shared service should be delivered in accordance with its agreed Business Plan from October 2015, delivered by CCC on behalf of the three participating Councils.
- 1.2 The proposal carries some initial investment and it is proposed that this will be funded from the (TCA) and existing building control fee-earning surpluses, held by each council. An amount of £80,000 has been allocated from TCA for this proposal.
- 1.3 The proposal offers a sustainable opportunity to strengthen and improve the building control service that our customers and business partners already enjoy.
- 1.4 The proposal sets out clear, specific and realistic measures by which participating authorities may achieve significant, recurring, long term efficiency gains. It also tackles the issue of lack of capacity in certain areas (for all three Councils) by creating a critical mass of capacity coupled with management arrangements that will enable resources to be deployed effectively and efficiently and the adoption of better practices and processes. Another advantage of the proposal is that it will begin to address the issue of recruitment and retention in local authority building control services by creating an organisation that offers greater opportunities for career progression. It is proposed to create new posts to enable the recruitment of apprentices and graduates, as well as adopting a career grade for building control surveyors. The configuration of the new service also accommodates local authorities' desire for flexibility in the delivery of additional services such as street naming & numbering, considerate contractor scheme, construction monitoring and other potential fee earning opportunities.
- 1.5 The proposal recognises the need for the creation of the new post of Building Control Shared Service Manager, to provide leadership and delivery of the BCSS.

2.0 The Existing Provision of Building Control Services

2.1 Currently, each council operates its own building control service. Both HDC and SCDC have a dedicated team of technical support staff, whilst CCC administrative support is provided by a combined Business Support Team that serves Planning, Building Control and the Arboriculture team.

The existing establishment across the 3 authorities is as follows (includes current vacancies):

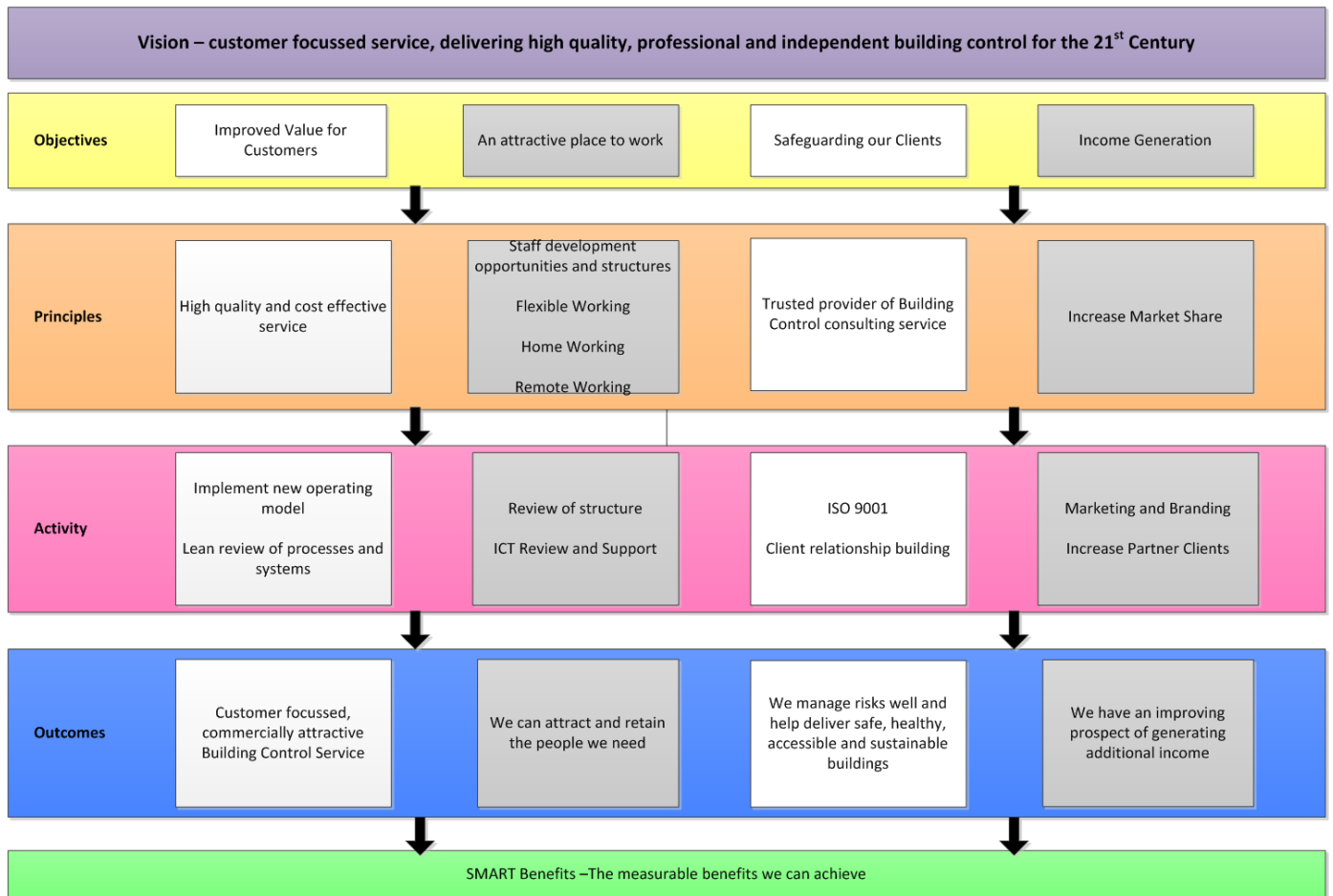
	BC Manager	Principal BC Surveyor	Building Control Surveyor's	Construction Monitoring Officer	Admin/ Tech. Support	Staff
CCC	1	1.68	6.43	1	3.3	13.41
HDC	1	0	5.78	0	2.05	8.83
SCDC	1	1 (currently acting manager)	3	0	1.8	6.8
Existing total	3	2.68	15.21	1	7.15	29.04

2.2 The 3.3 FTE for CCC is based on budget contribution to Departmental Support and Administration costs for the Building Control Service.

2.3 Staff in scope will transfer to CCC under the Transfer of Undertakings (Protection of Employment) legislation ('TUPE') in their existing roles. Following implementation of the new service in October 2015, a detailed and comprehensive staffing review will be undertaken within the first year, based on an assessment of the needs of the new service and its clients, a new structure will be implemented. This will include dedicated CCC administrative support.

3.0 The Vision

3.1 The vision for BCSS is contained in the following table.



3.2 Lead and host authority arrangements

It is proposed that CCC should lead on the BCSS. The location of the shared service will be outlined as part of this business case.

3.3 Cost sharing and efficiencies

In accordance with the general principles proposed for shared services, contained in a covering report elsewhere on this agenda, savings made by BCSS will be distributed in proportion to the initial investment made by the 3 councils. The net budget for each building control service, the proportions for the BCSS and anticipated savings for 16/17 are illustrated below.

	Gross Budget	Net Budget (gross budget less income)
2015/16		
£		
CCC	571,310	275,870
HDC	417,430	137,160
SCDC	322,520	92,230
	1,311,260	505,260

2016/17 savings shared in proportion to 2015/16 gross budget contribution

43.57%	31.83%	24.60%	
CCC £	HDC £	SCDC £	Total £
22,120	16,170	12,490	50,780

3.3.1 The existing 2015/16 budget provision from the budget of each building control service will be incorporated to form the shared service budget. This is net of the identified 15/16 savings within those budgets which will be achieved by the Council's concerned prior to the transfer of the budgets to the shared service. This is illustrated in the following table which also shows the reducing net budget as a result of the proposed saving target for 16/17.

	Year 0*	Year 1		
	2015/16 £	2016/17 £	Savings** £	Savings %
Gross Budget	899,600			
Less Income	646,970			
Net Budget	252,630			
Less recharges (non Fee-earning)	97,735			
Net budget after recharges	154,895	287,740		
Fee-Earning a/c surplus/deficit	(14,365)	0		
Non Fee-earning a/c	169,260	287,740	50,780	15%
	154,895	287,740	50,780	
* Yr 0 figures are for the 6 month period from Oct 15 to Mar 16. Year 0 figures assume savings already taken from Partners prior to baseline budget setting				
** Yr 1 savings are based on the minimum savings requirement of 15% of the 2015/16 full year Non Fee-earning a/c budget of £338,520				

3.3.2 Once the Shared Service has been created and has gathered some baseline data, it will develop a more sophisticated approach by which each council can determine the performance required and target potential efficiencies. It will be necessary to adopt an approved reserves policy for the use of surpluses and funding deficits on the fee earning ring-fenced account i.e. offsetting surpluses or deficits against

future building regulation charges, or re-investing surpluses in improving the quality of delivery of the building regulations chargeable service, for example funding the purchase of new IT or mobile working solutions.

3.4 **New Post**

It is proposed to establish a new role, of Building Control Shared Service Manager, to be recruited to assist with the transformation programme and development and leadership of the BCSS. This person will be a professional member of RICS or CABE and will need high quality leadership and transformation skills.

3.5 **Scope**

3.5.1 The proposed scope of the services is listed below:

- Building Control
- Technical & Business Support
- Street Naming & Numbering (Policy, consultation & charges) (CCC only)
- Considerate Contractor Scheme
- Construction Monitoring

BCSS will be responsible for a number of building control functions to discharge statutory duties in respect of the following:

- Local Authorities (Functions & Responsibilities) (England) Regulations 2000 Building Act 1984
- Building Regulations 2010
- Building (Approved Inspectors) Regulations 2010
- Building (Local Authority Charges) Regulations 2010
- Public Health Act 1925
- Town Improvement Clauses Act 1847
- Local Government Act 2003

3.5.2 The following assumptions and pre-requisites have been applied:

- (a) That, subject to consultation with the affected staff, the Unions and the democratic processes of each council, the BCSS would be implemented with effect from the date that staff TUPE into it, currently estimated to be 1 October 2015. Staff within the HDC and SCDC building control teams would TUPE transfer across to the lead authority, CCC.

- (b) The BCCS business case is based upon the need to increase resilience, improve the quality of service to clients, become more efficient and increase capacity within the shared service in order to retain existing market share and increase fee earning opportunities. It will be necessary to develop staff and ensure quality assurance.
- (c) Council service departments should not individually procure external private building control bodies to provide building control services on council assets or developments; all building control consultancy services for council developments and existing assets should be procured via the BCSS.
- (d) Following the merger, there will be a fundamental review of the shared service. This will include scrutinising the current skills and expertise and matching them to building control needs now and those expected going forward. There will be a review of the systems and processes to ensure that they support a modern and efficient way of working. Quality Management System in accordance with ISO 9001 will be required.
- (e) The opportunity will be taken to make improvements to the existing technology in use by the three building control services. Costs for this work are estimated to be in region of £15,000 which will be paid for from TCA funding. Other necessary ICT infrastructure will need to be in place to enable the shared service to operate efficiently – for example:
- remote working from home
 - remote working from hubs and other locations
 - combined electronic library and research systems

This will need to be tied in with the technology road map contained within ICT shared service proposals.

A further review of IT provision will be undertaken within Year 2 of the shared service in order to ensure commercial suitability and compatibility with mobile working options. It will also ensure an integrated approach is adopted in conjunction with future review of Planning Services across all three councils.

4.0 What we aim to achieve - Opportunities for an improved service

- 4.1 BCSS will improve resilience and retention by being better able to prevent service loss or interruption and cope with peaks in workload and staff absences. New ways of working, including greater flexibility, use of enhanced ICT and more mobile patterns of work will be possible in the future.
- 4.2 It will also give each council access to a greater breadth and depth of specialist/professional/technical expertise and capacity and increase the opportunity for staff development, by allowing staff to work across a broader range of areas, or to become more specialised as appropriate. Developing new Building Control staff through apprenticeships and graduate trainees will be an important part of service development; addressing succession issues that the industry, and particularly local government is currently suffering from.
- 4.3 BCSS is expected to deliver savings. Targeted areas for savings include management, hardware, software and IT services, administrative support and accommodation costs. It will also enable increased opportunities for income generation. Local Authority Building Control services are budgeted for in four ways:
- (a) Building Regulation fee earning or “chargeable activities” for which customers are charged a fee on a service cost recovery basis.
 - (b) Building Regulations “non-chargeable activities”, which is paid for by the councils through general fund contributions, as legislation specifically states the activities cannot be charged for e.g. dealing with fee exempt applications for work to secure benefit for disabled people; inspections to identify unauthorised building work etc.
 - (c) Other building control services such as dealing with dangerous buildings, demolitions etc.
 - (d) Additional specialist or consultancy services which fees can be charged for, and which can be used to help reduce the expenditure on the building control statutory function of the local authority. At the current time CCC levies charges for street naming & numbering, considerate contractor scheme, and construction monitoring. HDC have previously been appointed to provide consultancy advice on MOD projects. It is proposed that the new shared service seeks to maximise ways of securing additional income, to reduce the expenditure on “non-chargeable activities” funded from the councils general fund contributions.

- 4.4 BCSS will prevent the need for duplication across the three authorities e.g. guidance notes, procedures, scheme of charges etc. It will improve and standardise processes. Business processes will undergo rigorous analysis and streamlining leading to improved and standardised operations, efficiencies and alignment of best practice.
- 4.5 A shared service will continue to provide statutory services, such as enforcement and dealing with dangerous structures and demolitions, in a cost effective manner.
- 4.6 The Business Plan will include provisions for undertaking an options appraisal and review of future delivery options.
- 4.7 The BCSS will maximise the benefit of collaborative working with planning and other growth related services.
- 4.8 External Publications & Technical Guidance
Each service relies on external publications as an essential tool of the building control profession. The vast majority, but not all, of technical publications and building standards are now provided on-line and there would be clear benefits from combining the purchasing power of all three Councils for the future procurement of these services.
- 4.9 Performance Measures and Standards
Setting some key performance indicators across the team will assist in driving forward some performance standards to be agreed between the partner Councils.

National performance for Building Control Services are stipulated by the Building Control Performance Standards Advisory Group (BCPSAG)

A summary of the recently published (July 2014) BCPSAG performance standards that apply to all Building Control Bodies are associated with:

- People and skills
- Specialist experience
- Age and gender profiling
- Respect for people

It is anticipated that the participating client councils, as commissioners, may wish to incorporate other measures focussed on strategic objectives such as stronger communities and carbon reduction. These will be developed within the business plan.

In addition to the above, the service has identified specific areas where targets should be met, based on existing good practice and client engagement:

- 75% of applications registered within 2 days of receipt
- 75% of applications assessed within 3 weeks of receipt
- 90% of applications assessed within 5 weeks of receipt
- 80% of customers satisfied with overall service
- At least 6 nominations submitted for the Building Excellence Awards

4.10 Business Plan delivery will be managed by the Building Control Management Team of the shared service and reported to each meeting of the Building Control Management Board. The BCMB will also report to the PBSS and Joint Committee on a quarterly basis.

5.0 The Delivery Vehicle for the New Service

5.1 It is not proposed at this stage to set up a completely new legal entity for the proposed service. The law would require a separate trading entity to be run through a company. However future consideration of creating a wholly owned company or obtaining local authority approved inspector status should not be discounted and will be dependent upon market share, future opportunities for growth and government guidance & legislation.

5.2 To avoid any unnecessary regulatory burden, in the first instance it is proposed that all staff would be employed by the lead authority, CCC. This will require staff in scope from HDC & SCDC to transfer (under the provisions of TUPE) to CCC.

5.3 The proposal is for the BCSS to operate from two locations; one office located in Huntingdon and the other located in Cambridge City. The locations of the offices have been chosen for the following reasons:

(a) It aligns with where the existing work is. There is currently major growth within the city and CCC building control are currently providing the building control service for over 50 major projects, with a capital construction value in excess of £500M. It is therefore considered necessary to locate one office close to these major projects.

(b) It is where our major customers are. Similarly there is a high number of business clients located within the city.

(c) BC Officers spend a majority of their time on-site inspection work; therefore the offices need to be located in positions best suited to deliver a sustainable and responsive inspection service. Logistically an office located to the north (Huntingdon) and one to the south (City) would provide the best solution to servicing the need of the three district areas. Additional touchdown facilities can be provided at council buildings throughout the district areas to support more flexible method of working.

(d) Moving from three main locations to two will help build resilience and will, over time, help Councils to achieve their aspiration in regard to their future use of office accommodation.

(e) Locating offices in City and Huntingdon will enable an easier initial transition to one ICT platform.

5.4 To deliver an effective and efficient building control service for its clients, the new shared service will require:

(a) Sufficient office accommodation.

(b) Appropriate IT systems (time and case management)

(c) Sufficient suitably qualified staff to undertake both the building control work and technical & business support work

5.5 One decision which will need to be made by the partners as early as possible is the name by which the new service is to be known. It is extremely important for the new service to have a separate identity from its participating Councils in order for all staff to feel they are 'pulling together' for a single entity.

6.0 Managing and Commissioning the Building Control Shared Service

6.1 How the Shared Service will be managed

It is proposed that the service be managed by a new 'Building Control Shared Service Manager', specifically chosen for entrepreneurial and leadership skills as well as management capability and commercial expertise. The Manager will be expected to be mobile and flexible in supporting both office locations. They will have responsibility for ensuring proper on-going monitoring arrangements for work progress and proper client care through the agreement and reporting of appropriate 'key performance indicators' with each participating council.

6.2 CCC and HDC currently have ISO 9001 Quality Management accreditation and it is proposed to extend this to the whole service. This will be an important first job for the Building Control Shared Service Manager.

7.0 Governance and Decision-Making Processes

7.1 Details of the governance arrangements for shared services are contained within a covering report elsewhere on this agenda.

7.2 It is proposed that the governance of the BCSS be kept as simple as possible, as follows:

(a) The Shared Service Building Control Manager will report to the Head of Planning Services.

(b) The service will have an internal management team made up of the Building Control Shared Service Manager and staff members, with input from others as required.

(c) A proposed Joint Committee and Programme Board for Shared Services, will endorse the BC Business Plan and budget for approval through each council's committees. Anything outside of the agreed budget will need to be considered by each council.

(d) The BCSS will produce an annual report which will be available for consideration through the overview and scrutiny arrangements in each participating authority.

8.0 Conflicts of Interest and Confidentiality

8.1 Any potential conflicts of interest will be reported and scrutinised in accordance with the appropriate policy of the lead authority.

9.0 Sharing Costs and Financial Benefits

9.1 Details of expenditure for all three Building Control services teams are included at 3.3.1 above.

9.2 Funding of the BCSS is proposed, for the first two years of operation, to be provided by each Council putting in its already budgeted amount for building control spend for 2015/16. The savings figures for BCSS already agreed by each Council for year 2015/16 have already been removed from the budget figures shown in 3.3.1 above. For the

avoidance of doubt, the figures in 3.3.1 show the projected savings for each council for future years and the Business Plan to be entered into by the participating councils on implementation of the new Shared Service will include provision that these figures are 'ring fenced' and protected from further reduction unilaterally by any participating council.

- 9.3 Where the fee-earning account makes a surplus or deficit at the end of any financial year, this will be managed by the Lead Authority on behalf of the shared service. The Building Control Management Board will review whether funds are held for service development, retained to be set against future losses or if fees have to be amended in future years. Any other surpluses will be decided upon by the proposed Joint Committee.
- 9.4 The Building (Local Authority Charges) Regulations 2010 and CIPFA building control accounting guidance state that local authorities should keep their costs to a minimum to ensure that the building control fees remain affordable and competitive, with the overarching principle that users pay for the cost of the service they receive. Local Authorities are not empowered to use surpluses, from building control fee earning activities, to fund other local authority services. However a larger, more commercially focussed Building Control Service should make it possible to increase productivity by increasing chargeable productive hours and reducing unproductive / non-chargeable time, thereby reducing the cost of the statutory non-fee earning service.
- 9.5 It should be noted that each local authority has a statutory duty to enforce the building regulations in their area. Each council will be responsible for funding the statutory duty (the non-fee earning work) of the BCSS.

10.0 Broader Benefit Realisation of the Proposed Model

10.1 Service Quality Benefits

The current service is of good quality and generally well regarded by service users. This quality derives from the experience, professional competence and in depth knowledge of the current teams who exhibit a genuine motivation to provide a high quality customer focussed service. The staff providing this service, across all three authorities, will TUPE transfer to CCC ensuring that their skills and abilities are retained.

Shared service proposals provide a real opportunity for the merged teams to help shape how the service is delivered, designed and improved. It will provide an opportunity for innovation to ensure a high quality, responsive service that will help to retain key staff members.

Specific benefits will include:

- Creation of a new dynamic brand, that will attract new business and foster a sense of belonging and commitment amongst staff
- Improved service provision, focussing on a pro-active can do approach, and developing a more affordable, customer-first model of professional and support services
- Stimulating a commercial, market led approach
- Improved working practices
- Improved staff recruitment/retention, which will increase job satisfaction and morale

10.2 Benefits and effects for local residents

Increased productivity and the impact of Local Authority Building Control would ensure that residents continue to have their health and well-being maintained in a pro-active manner.

The Building Regulations have driven savings in energy usage and significantly reduced the number of deaths due to fire in homes.

The recent Housing Standards review has stated that the energy reduction objective will transfer to the remit of Building Regulations with the removal of the code for sustainable homes and continued progression to zero carbon in 2016.

Legislation such as this places a statutory obligation on those who undertake building work, and it is the responsibility of building control to help ensure that these obligations are met, however as with other areas of legislation these regulations are open to interpretation of individuals. To ensure that local residents continue to improve the built environment in the local area it is important to assist those that interpret the legislation. A resilient and robust shared service will ensure the ability to compete with others, maintaining the integrity of the Council's to influence interpretation of legislative requirements and compliance.

11.0 **Analysis of Key Risks**

- 11.1 The Shared Service covering report elsewhere on this agenda contains a register of general risks associated with the implementation of shared services. It is believed that the risks arising out of this specific proposal are not high and are easily outweighed by the benefits. A detailed risk register will be developed as part of the new service.

12.0 Implementation

- 12.1 It is proposed to retain experienced interim support to manage and drive the implementation of BCSS and to manage its operation until the new BCSS management structure is in place. The cost of this will be funded via the TCA fund.
- 12.2 Formal consultation with staff, Unions and Staff Council at HDC will take place during August in accordance with each Councils policy on consultation. The consultation will be in respect of the proposed TUPE arrangements and new management structure.
- 12.3 The Business Plan will be developed and established in consultation with external stakeholder and clients of the service during August and September and will reflect the principles and content contained within this business case.
- 12.4 Staff in scope will transfer to CCC under the Transfer of Undertakings (Protection of Employment) legislation ('TUPE') in their existing roles.
- 12.5 The implementation of the new BCSS management structure will then be undertaken. Following implementation of the new service in October 2015, a detailed and comprehensive staffing review will be undertaken within the first year, based on an assessment of the needs of the new service, and a new structure implemented.
- 12.6 It will be necessary to implement a move to a joint time recording and case management system as part of the initial implementation. Migration costs will be funded via the TCA fund. Other necessary ICT infrastructure will need to be in place to enable the BCSS to operate – for example:
- remote working from home
 - remote working from hubs and other locations
 - combined electronic library and research systems

This will be closely tied in with the proposed ICT shared services and will be funded by the TCA monies.

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

The public sector has had, and continues to have, a very challenging time as the government implements austerity plans to reduce the national debt. Local government has seen its central government grant cut by around 40%, which has meant that many Councils have had to stop providing most, if not all, of their discretionary services such as community development, sports and arts services and voluntary sector support. Whilst there are signs that the national economic climate may be improving, there are clearly still many difficult years ahead for local government with further budget reductions from central government and increasing demands for statutory services.

Cambridge City Council has worked hard to try and reduce the costs of its services through efficiencies, sharing resources with partner authorities and outsourcing some services to private or not for profit organisations where this has proved cheaper and where quality can be maintained.

As part of this, Cambridge City Council is reviewing the following internal services – Building Control, Legal and Information Technology. This is an EQIA for the three decisions to be considered at the [Council's Strategy and Resources Scrutiny Committee on 13 July](#).

1. The rationale for the establishment of a Building Control Shared Service (BCSS) between Cambridge City Council (CCC), South Cambridgeshire District Council (SCDC) and Huntingdonshire District Council (HDC) is that it will enable each local authority to undertake its statutory duty in implementing and enforcing the building regulations in their area, whilst providing a more sustainable and resilient business model for future service delivery and cost effectiveness. It will enable the development of a five year business plan to generate additional income and create efficiencies which will support enhanced competitiveness in a commercial market.
2. The rationale for the establishment of a shared legal service between CCC, SCDC and HDC is that it will enable a reduction in the externalisation of legal work through the broader sharing of legal capability, increase output from lawyers by managing non-lawyer work away from them, create a single point for commissioning legal services to improve value for money from the process of externalising legal work, increase the opportunity for income generation by offering legal services to public and voluntary sector bodies, and improve staff recruitment, retention and development.
3. The rationale for the establishment of an ICT Shared Service (ICTSS) between CCC, SCDC and HDC is that it will enable the creation of a shared Applications Systems and technical infrastructure to facilitate wider shared service delivery for all Council Services creation of a shared, reduce overall IT cost, increase resilience and capacity and improve staff recruitment, retention and development.

At the moment, it is intended to carry out one Equality Impact Assessment (EqIA) for the three decisions as, although the services themselves are quite different, the impact of the changes if approved, will be largely equivalent in equalities terms for the staff affected and for the community.

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

- Create shared systems, infrastructure and ways of working to facilitate wider shared service delivery for all Council Services.
- Reduce overall costs to the Council and get better value for money.
- Provide a service that is user friendly but enables the development of innovative solutions to deliver services more efficiently.
- Provide increased resilience and capacity to enable the consistent and reliable service delivery required by the public.

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

X Residents – as users of Building Control services.

Visitors

X Staff

A specific client group or groups (please state):

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

New

Revised

Existing

5. Responsible directorate and service

Directorate: Business Transformation, Environment

Service: Legal, ICT and Building Control

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):

Huntingdon District Council and South Cambridgeshire District Council will be partners in delivering the shared services.

7. Potential impact

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

When answering this question, please think about:

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

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

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is currently anticipated.

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(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)

In the case of each service, the effects are primarily on staff rather than the community.

In terms of the staff group affected, neither a negative nor a positive impact is anticipated, although development of shared services may facilitate the ability for staff to work from a wider range of workplaces which may have some positive impacts for disabled people

In terms of the public:

- For legal services there is unlikely to be any positive or negative effect
- For building control there is unlikely to be any positive or negative effect
- For ICT there may be a positive effect as the shared service will help deliver the digital access strategy which will reduce the need for people to access services in person

(c) Gender

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(d) Pregnancy and maternity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(e) Transgender (including gender re-assignment)

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(f) Marriage and Civil Partnership

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or the community who share this characteristic

(g) Race or Ethnicity

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff and the community who share this characteristic

(h) Religion or Belief

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(i) Sexual Orientation

In the case of each service, the effects are primarily on staff rather than the community.

There is no effect, either negative or positive, expected as a result of these changes on members of staff or of the community who share this characteristic

(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):

In the case of each service, the effects are primarily on staff rather than the community.

However, the overall aim of creating shared services is to preserve or enhance the existing service and increase its resilience for the future while reducing unnecessary costs.

This focus on an improved service, with reduced costs, will enable the Council to ensure that its resources are preserved and diverted to those who need it most in line with its anti-poverty strategy.

In the case of legal shared services there may be an opportunity to offer low cost legal advice to public or voluntary sector bodies which may be of general benefit in this context.

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

The Committee reports are going to Strategy and Resources on 13th July 2015. If approved, consultation commence in October 2015. The EqIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

9. Conclusions and Next Steps

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

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

10. Sign off

Name and job title of assessment lead officer:
Brian O'Sullivan - Transformation Programme Manager

Names and job titles of other assessment team members and people consulted:
Sue Chadwick – Corporate Growth Manager
Ian Boulton – Building Control Manager
Ray Ward – Director of Business Transformation
Suzanne Goff – Strategy Officer

Date of completion: 22nd June 2015

Date of next review of the assessment: August 2015

Action Plan

Equality Impact Assessment title: ICT, Legal and Building Control Shared Service

Date of completion: 24/06/2015

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

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

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

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

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

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

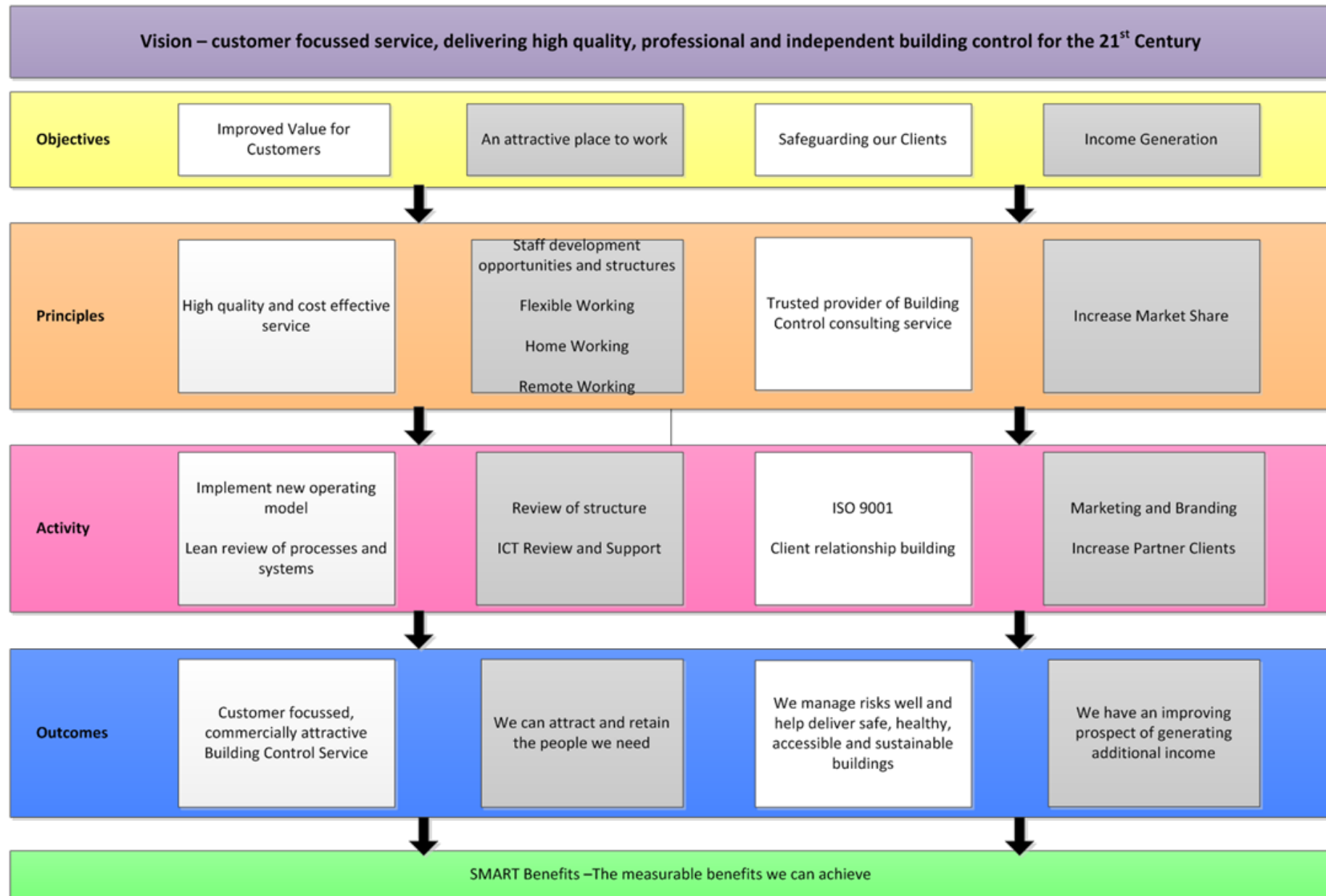
Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	Nil
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

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

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

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

3.0 Vision for BCSS



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

Report by: Simon Payne, Director of Environment

Relevant scrutiny committee: Strategy & Resources
13/7/2015
Scrutiny Committee

Wards affected: All

SHARED WASTE SERVICE

Key Decision

1. Executive summary

This report updates all Members on the development of a Shared Waste Service between the City Council and South Cambridgeshire District Council, the principles of which were approved in July 2014 and October 2014.

2. Recommendations

The Executive Councillor is recommended

- 1) To note the progress of the City Council and South Cambridgeshire District Council towards the development of a shared waste service, in particular:
 - a. The creation of a single tier of senior management
 - b. Progress made towards co-location of the two Councils at the Waterbeach depot;
 - c. Progress made on establishing a Single Waste Service and likely future developments.

- 2) To delegate to the City Council Chief Executive Officer the power to approve any changes necessary to the Council's Scheme of Delegation arising from the changes reported below;
- 3) To Delegate to the Director of Environment the power to implement the changes to managerial arrangements arising from the changes reported below.

3. Background

- 1) A report on a proposed Shared Waste Service was considered by both Environment Scrutiny Committee of Cambridge City Council ('the City Council') on 8 July 2014 and Cabinet of South Cambridgeshire District Council ('South Cambridgeshire DC') on 9 July 2014. Members affirmed the commitment to create 'A Single Waste Service, wholly owned and run by the local authorities, with a single management structure and workforce, located at the Waterbeach Depot using a single pool of vehicles.'
- 2) Further reports were considered by the City Council Environment Scrutiny Committee on 17th October and Cabinet of South Cambridgeshire DC on 16th October 2014. Those reports set out the work that had been done on assessing the potential for a single shared waste service and concluded that there were significant savings that could be achieved by continuing to work towards the creation of a shared service.
- 3) The development of the Shared Waste Service and the performance of the new Service is overseen by a Shared Waste Board. The City Council is represented on the Board by the Executive Councillor for Environment and Waste with support from the Director of Environment. There will be an annual report to the Environment Scrutiny Committee of the City Council on the work of the Shared Waste Board.

Shared Waste Service: Staff changes

- 4) A consultation paper was issued on 23 February 2015 about the establishment of a single Management Team for the Shared Waste Service for South Cambridgeshire District Council and Cambridge City

Council. The consultation covered proposals to create three new manager posts to be employed by South Cambridgeshire District Council and the deletion of a total of five manager posts at both Councils. The consultation also addressed the proposed contractual change to the place of work to Waterbeach for all the City operational and policy waste staff.

- 5) In April 2015 appointments were made to the posts of Waste Operations Manager and Waste Policy Change and Innovations Manager. No appointment was made to the Head of Shared Waste post but this has been advertised and an appointment is likely to be made by the end of this month.
- 6) From 19 August 2015 the following changes will take effect:
 - a. One member of staff will become an employee of South Cambridgeshire DC and become the new Waste Operations Manager for both authorities;
 - b. One City Council post – the Head of Refuse and Environment – is deleted. All of the responsibilities of that post including management of Trade Waste devolve upwards to the Director of Environment except that:
 - i. The Environmental Health Manager will report to the Head of Strategic Housing and the Director of Community Services;
 - ii. The new Waste Operations Manager and Waste Policy Change and Innovations Manager will have new responsibilities on behalf of both authorities
- 7) The changes only relate to officer reporting lines and do not affect Executive Councillor responsibilities.
- 8) Once relocation has taken place the contractual place of work for all waste operatives will be Waterbeach. A Travel Working Group and a staff focus group were set up and trial runs of a number of city crews have been taking place since April. A paper on travel plan proposals was circulated to staff for comment on Friday 5th June. In parallel, 121 meetings were held with each staff member affected. There was a meeting with the Unions on 11th June and another is planned for 1st July.

- 9) All posts in the shared service, other than the three manager posts, will continue on current pay, terms and conditions (subject to a contractual workplace change to Waterbeach for the waste operatives and policy staff)
- 10) **Shared Service: Relocation**
- 11) A planning application has been submitted for the extension of the existing car park and permission for the necessary works was granted on 3rd June. Work is currently underway to ensure compliance with the pre-occupation conditions imposed.
- 12) An operational group has been set up to manage all of the practical impacts including staff training, health and safety assessments and the physical move of relevant equipment.
- 13) The site is now fenced off and preparatory works have started. A detailed schedule of works is not yet available but as soon as the definite start and end dates are known staff will be advised and a firm relocation date will be set.
- 14) In terms of securing the City Council's occupation of the premises the options available were either: 1) a surrender of the existing lease to South Cambridgeshire DC and a re-grant of that lease to both Councils; or 2) a separate supplemental lease. A surrender and re-grant was considered to be the better option overall in terms of securing clarity, parity between the parties and long term security of tenure.
- 15) The new lease will be between Frimstone Ltd and Cambridge City Council and South Cambridgeshire District Council for a term of 25 years from August 2015. It will be conditional on the completion of the necessary works to the satisfaction of both Councils. The terms of the lease were approved by the Director of Environment following consultation with members. Draft documents have been received and are being considered by officers

Creation of a Single Waste Service

- 16) Once the co-location has been put into effect and the new management team is in place, both Councils are committed to putting

a Single Waste Service in place without any unnecessary delay. It is proposed to report back with a full business case for creation of this Single Waste Service in January 2016, as well as outlining the likely direction of the service in the future.

Related Decisions

- 17) A business case for the future operation of a shared Trade Waste Service will come back to the Environment Scrutiny Committee in October 2015
- 18) The Fleet Service Review – a full evaluation of the current and future provision of garage and servicing facilities for all of the Council's vehicles including waste – is also relevant to the Single Waste Service, particularly as one potential future option would be running the existing garage and servicing facilities from Waterbeach.
Officers will give a verbal update to members at the meeting and a full report on this topic will come to this Committee in October.

4. Implications

Financial Implications

The annual rent of the new premises is £112,250, plus Stamp Duty Land Tax (SDLT) of £25,177. Both sums will be divided between the two Councils based on cost sharing principles which are currently in development as progression is made towards creating a budget for the single waste service

Staffing Implications

The immediate and direct implications are fully set out in the report. In terms of the future:

- As work towards the single, shared service progresses, there may be impacts on other waste service posts in both Councils.
- Any proposed changes to Trade Waste posts following decisions by Councillors will involve a separate consultation with staff and Trade Unions.
- There are potential TUPE implications for City Council staff from either entering into a formal shared service agreement or the creation of a new corporate body. All consultation requirements will be built into the consideration and implementation of any such decisions
- The move to Waterbeach has been the subject of a recent Risk Assessment and it is considered a safe environment in which to work.

Inductions of all staff moving to Waterbeach have been built into the programme for the move

Equality and Poverty Implications

- The main implications of the changes proposed are for the staff concerned rather than the population of Cambridge as a whole.
- An EQIA has been done on the implications of the change for staff currently located in Mill Road and moving to Waterbeach and this has raised one main issue: an increased risk to staff travelling to and from new, isolated location.
- This will be monitored carefully once the move has taken place so that the City Council is, and continues to be, satisfied that it is providing a safe place of work

Environmental Implications

- The increased use of cars by some staff to access workplace will have a small negative environmental impact. A travel plan is being developed in consultation with South Cambridgeshire District Council to identify ways in which this may be reduced, i.e. through lift sharing. In addition, there may be a positive impact overall from reduced early morning vehicle movements in the city centre and future exercises in route optimisation for the refuse disposal vehicles.

Procurement

- There are no procurement implications arising from the matters in this report but any move either to a single shared service will required consideration of these issues.

Consultation and communication

- Unison and GMB were briefed on the consultation paper and there has been an ongoing dialogue with the unions before the consultation period and during it. Monthly meetings with the Branch Secretaries have been taking place.
- Although there are no intended changes to routes or collection days arising from relocation of the service it is possible that some residents will have their bins collected earlier than they are used to. All potentially affected residents will be advised to have their bins ready for an earlier collection as the date of the move approaches.

Community Safety

- A full programme of trial runs and staff training and induction will be carried out to ensure that all drivers are familiar with any new routes to minimise the impact on community safety.

5. Background papers

Environment Committee Report 7th July 2014

Environment Committee Report 14th October 2014

EQIA on change of workplace

6. Appendices

7. Inspection of papers

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

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To: Leader of the Council – Lewis Herbert
 Report by: Alan Carter – Head of Strategic Housing
 Relevant scrutiny committee: Strategy 13 July 2015
 and
 Resources
 Scrutiny
 Committee
 Wards affected: All

**Title – Housing Development Agency
 Key Decision**

It is recommended that the committee resolves to exclude the press and public during any discussion on the exempt section of the report by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains commercially sensitive information.

1. Executive summary

This report proposes the establishment of a shared housing development service with the City Deal local authority partners (Cambridge City Council, South Cambridgeshire District Council and Cambridgeshire County Council).

The Housing Development Agency is proposed as an operational model through which the City Deal partners’ collective resource in terms of land, finance and staff skills can be applied to complement the market driven housing development process and to smooth the peaks and troughs of market delivery.

As well as efficiency, there is the opportunity for the Housing Development Agency to deliver additional housing by working up schemes and partnerships around land and funding that would not otherwise happen.

The Business Case proposes a transition from existing small in-house teams managed independently by local authority partners to a single shared service model that will quickly deliver robust team capacity corralled to achieve a common purpose.

A target date to achieve a shared service is April 2016. In the interim it is proposed to establish a senior officer Board to oversee the transition that and that subsequently fit with the governance structure for shared services that is emerging across the local authorities as outlined in the separate report on shared services to this Committee (albeit that in this case the local authority partners are Cambridge City Council, South Cambridgeshire District Council and Cambridgeshire County Council as the concept of the shared service has evolved under the City Deal). Subject to the approval of the local authority partners it will be the intention to work collaboratively from August 2015 to bring together a shared list of projects that current staff can begin to work on while the due diligence is undertaken in respect of consultation with staff that may be affected.

2. Recommendations

The Leader of the Council is requested to approve the establishment of the Housing Development Agency under shared governance with the City Deal local authority partners (Cambridge City Council, South Cambridgeshire District Council and Cambridgeshire County Council)..

3. Background

The City Deal Board has approved in principle to pump-prime the funding of a Housing Development Agency (HDA).

The purpose of the HDA is to be a shared service, governed by the local authority partners to the City Deal (Cambridge City Council, South Cambridgeshire District Council and Cambridgeshire County Council) that will bring together a team with the required skills; knowledge and experience to efficiently and effectively;

- a. Make best use of land and funding made available by the City Deal partners to deliver new housing
- b. Acquire new housing land and deliver additional housing through innovative partnership and funding mechanisms

Appendix 1 shows the full Business Case for the HDA.

The HDA is not intended to own assets. However, there is the potential for a whole range of joint venture arrangements and development agreements to emerge led and facilitated by the HDA. These would combine the City Deal partners' resources to attract private finance investment and potentially involve other landowners, house-builders and developers and Registered Providers. As well as efficiency, there is the opportunity for the HDA to

deliver additionality by working up schemes and partnerships around land and funding that would not otherwise happen.

The establishment of a the HDA now will also ensure the City Deal partners are well placed to utilise and apply quickly any new resource or financial freedoms that may emerge in future.

The housing development process is market led with much affordable housing tied to the delivery of market housing through Planning policy. In the negotiations prior to the City Deal it was highlighted that to rely solely on private developers and house-builders and partner Registered Providers (housing associations) to deliver the Local Plan housing numbers, was a risk to further economic growth and therefore a risk to the City Deal. The complete collapse of new market house-building and consequential lack of provision of Affordable Housing during the 2008 economic downturn is evidence of this point.

The housing 'asks' argued through the City deal process were not agreed. Despite this, and continuing efforts to lobby for greater financial freedoms, the concept of a Housing Development Agency has evolved as an operational model as a response to the continuing pressures in the local housing market.

The Business Case proposes the following objectives for the HDA;

- a. To deliver the commitment contained within the City Deal to deliver an additional 1,000 dwellings on exception sites by 2031.
- b. To deliver the new homes identified in Cambridge City Council and South Cambridgeshire District Council approved Housing Revenue Accounts new build strategies – approximately 2,000 new homes.
- c. To deliver new homes for Ermine Street Housing, the new private limited company created by South Cambridgeshire District Council, subject to the approval of its long term plan – potentially approximately 1,000 new homes. (The City Council is also currently considering the investment of General Fund capital in Intermediate Housing)
- d. To act on land and funding opportunities proposed by the County Council and the University and Colleges meeting aspirations to retain a long term stake in any development and the draw down of revenue income streams.

4. Implications

(a) **Financial Implications**

There are three inter-related factors that will dictate the operation and financing of the HDA. Operational (revenue) costs can be covered by fees charged to each (capital) development scheme. The operational income will therefore be dependent on the number of schemes that the HDA is managing. The number of schemes that can be managed will, in turn, be dependent on the HDA team capacity (skills, knowledge and experience) available. An understanding of this circular relationship between number of schemes; fee income and Agency team staff capacity is fundamental to the Business Case and how the HDA is sustainable in the long term.

It should be noted that in practice a variable fee structure will apply depending on the type of scheme and the input required by the HDA to manage the scheme's delivery. For the purposes of the Business Case a flat rate 3% fee has been assumed.

The Business Case assumes the HDA will deliver a minimum of 4000 new homes to 2031 which equates to the completion of an average 250 per year.

The completion of 250 new homes a year would generate an annual income for the HDA of £1,350,000 based on the following assumptions;

Unit Cost - £180,000 per unit
Annual Capital Cost - £45m
Fee – 3% of Capital Cost

It is important to be clear that the control of each project specification, budget and approval remains with the land owning partner unless it is agreed otherwise. The authority of the land owning partner to proceed will be required at different stages of the development process. The 'milestone' decisions will vary from scheme to scheme and will need to be agreed as part of the Development Brief for each scheme. Each authority will only fund the HDA for schemes that the HDA delivers for each authority.

(b) **Staffing Implications**

The following HDA team is proposed to deliver at least 250 new homes a year. The HDA team would need to operate flexibly over the Greater Cambridge area but it is anticipated that each City Deal partner would have a senior person in the HDA as their 'account' manager.

Managing Director – overall managerial responsibility for the delivery of the City Deal objectives

Assistant Director – assist the Managing Director to develop and manage the HDA and assist with new business opportunities. Lead the delivery of some projects.

2 x Housing Development Managers – lead the delivery of teams and projects

3 x Housing Project Officers and Planning Officer – project manage schemes with the assistance of Trainees as directed by the managers.

3 x Trainee Project Officers – assist the project management of schemes

Commercial Director – lead on the marketing and sales of intermediate housing and where applicable market housing products delivered through the HDA.

2 x Sales and Development Administrator - peripatetic administrative support for the HDA

Helpfully the authorities are not starting from a zero base in terms of schemes, fee potential and staff. The Business Case for the HDA proposes a transition from existing small in-house teams managed independently by local authority partners to a single shared service model and how £400,000 pump-priming funding from City Deal facilitates this transition.

The Business Case details different options through which the HDA could be governed. The recommendation is to move as soon as possible to the shared service model. The recommendation is made on the basis that this will be the quickest route to establish the robust team capacity needed to achieve a common purpose and will minimise the due diligence in respect of human resource and legal work that would be required if it was decided to immediately set-up of a new legal company structure.

A target date to achieve a shared service is April 2016. In the interim it is proposed to establish a HDA Board made up of senior officers from the partner local authorities to oversee the transition to the full shared service. The HDA Board will subsequently fit within the wider governance structure for shared service that is emerging across the local authorities as outlined in the separate report on shared services to this Committee (albeit that in this case the partners are Cambridge City Council, South Cambridgeshire District Council and Cambridgeshire County Council as the concept of the shared service has evolved under the City Deal). Subject to the approval of the partners it will be the intention to work collaboratively from August 2015 to bring together a shared list of projects that current staff can begin to work

on while the due diligence is undertaken in respect of consultation with staff who may be affected. This will include consideration to the secondment of staff into the shadow HDA structure and to buy in other resource on a temporary basis to deliver existing projects and programmes.

The HDA Board will subsequently ensure that an annual business plan for the HDA is produced; monitor performance and spend against the operational budget; monitor and manage risks; and oversee the development of the service.

(c) Equality and Poverty Implications

There are no specific equality and poverty implications as a consequence of this proposal. Schemes that the HDA manages will be the subject of EQIAs.

(d) Environmental Implications

There are no specific environmental implications as a consequence of this proposal. These will be considered as part of the specification for each scheme that the HDA manages.

(e) Procurement

The HDA will be a public body and will therefore be subject to the same procurement regulations as each City Deal local authority partner.

(f) Consultation and communication

Consultation and communication has been mainly with City Deal partners and interested organisations such as Cambridge Ahead and the Local Enterprise Partnership.

(g) Community Safety

Community safety issues will be considered as part of the specification for each scheme that the HDA manages.

5. Background papers

None

6. Appendices

Appendix 1 - BUSINESS CASE FOR THE FORMATION OF THE GREATER CAMBRIDGE CITY DEAL HOUSING DEVELOPMENT AGENCY.

7. Inspection of papers

N/A

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

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Greater Cambridge City Deal Housing Workstream

BUSINESS CASE FOR THE FORMATION OF THE GREATER CAMBRIDGE CITY DEAL HOUSING DEVELOPMENT AGENCY.

Version History

Version	Date	Description
1.0	13 April 2015	
2.0	22 April 2015	
3.0	5 May 2015	
4.0	8 May 2015	Draft for CEOs
5.0	26 May 2015	Assembly Final

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1.0 Executive Overview

33,000 new homes are planned by 2031 in the draft Cambridge and South Cambridgeshire Local Plans. The delivery of these homes is dependent on market forces and as such represents a risk to the City Deal's objectives.

The Housing Development Agency is proposed as an operational model through which the City Deal partners' collective resource in terms of land, finance and staff skills can be applied to complement the market driven housing development process and to smooth the peaks and troughs of market delivery.

As well as efficiency, there is the opportunity for the Housing Development Agency to deliver additional housing by working up schemes and partnerships around land and funding that would not otherwise happen.

The Business Case for the Housing Development Agency is based on a target programme of at least 4,000 homes by 2031 which equates to an average of 250 homes per year.

The Business Case proposes a transition from existing small in-house teams managed independently by local authority partners to a single shared service model that will quickly deliver robust team capacity corralled to achieve a common purpose.

A target date to achieve a shared service is April 2016. In the interim it is proposed to establish an officer Board to oversee the transition that will fit with the governance structure for shared services that is emerging across the local authorities and from as early as August 2015 use a combination of existing staff and bought in resources to deliver the existing projects and programmes.

2.0 The Purpose of the Housing Development Agency

CITY DEAL LED HOUSING DEVELOPMENT

- 2.1 The housing development process is market led with much Affordable Housing tied to the delivery of market housing through Planning policy. In the negotiations prior to the City Deal it was highlighted that to rely solely on private developers and house-builders and partner Registered Providers (housing associations) to deliver the Local Plan housing numbers, was a risk to further economic growth and therefore a risk to the City Deal. The complete collapse of new market house-building and consequential lack of provision of Affordable Housing during the 2008 economic downturn is evidence of this point.
- 2.2 The main housing 'asks' of central government under the City Deal were about additional public funding and greater flexibility to apply funding to deliver greater certainty that the new housing required will be provided. In other words, to have some public led delivery to complement the market driven housing development process and to smooth the peaks and troughs of market delivery.
- 2.3 The housing 'asks' were not agreed. Despite this, and continuing efforts to lobby for greater financial freedoms, the concept of a Housing Development Agency (HDA) has evolved as an

operational model through which the partners' collective resource in terms of land, finance and staff skills can be applied to the optimal benefit of the wider City Deal objectives.

- 2.4 The purpose of the HDA is therefore to be a shared agency, governed by the local authority partners to the City Deal that will bring together a team with the required skills; knowledge and experience to efficiently and effectively;
- a. Make best use of land and funding made available by the City Deal partners to deliver new housing
 - b. Acquire new housing land and deliver additional housing through innovative partnership and funding mechanisms
- 2.5 The HDA is not intended to own assets. However, there is the potential for a whole range of joint venture arrangements and development agreements to emerge led and facilitated by the HDA. These would combine the City Deal partners' resources to attract private finance investment and potentially involve other landowners, house-builders and developers and Registered Providers. As well as efficiency, there is the opportunity for the HDA to deliver additionality by working up schemes and partnerships around land and funding that would not otherwise happen.
- 2.6 The establishment of a the HDA now will also ensure the City Deal partners are well placed to utilise and apply quickly any new resource or financial freedoms that may emerge in future.

3.0 Housing and Economic Success

THE HOUSING ISSUE – A REMINDER

- 3.1 The reason why a housing dimension was considered as central to the City Deal is clearly illustrated in the following extracts from the negotiating document produced in 2013.

“...(economic) success to date has created housing supply & affordability constraints, and chronic transport congestion, that threaten to choke off further economic growth”

“Shortage of available and affordable housing within reasonable journey time of key employment centres - this has driven unsustainable housing prices (purchase and rental), meaning that many key workers cannot afford to live in, or within reasonable journey times of, our key job sites.”

“We need to achieve:

The right number, types and tenures of housing (market, rented, social), in the right places, well-connected to employment centres (both virtually and physically), so that workers can find the housing they need, and can get to work to take up the jobs essential to economic success.”

- 3.2 The following headline key market indicators show that two years on, housing locally is increasingly less affordable;

- Average house prices Cambridge (Dec 14) - £428,251 (up 12% in a year)

- Average house prices South Cambs (Dec 14) - £354,719 (up 15% in a year)
- Lower quartile house prices in Cambridge are 15.7 times lower quartile incomes
- Lower quartile house prices in South Cambs 11.1 times lower quartile incomes
- Market rents have increased by about 3 to 5% in across Greater Cambridge over the last 12 months although rents of 2 bed properties in Cambridge have increased by nearer 10%.

(Source: Cambridge Sub-Region Housing Market Bulletin – April 2015.)

3.3 The two local planning authorities (Cambridge City and South Cambridgeshire) have provided for an additional 33,000 new homes by 2031 in their submitted local plans, currently going through examination in public. 13,200 of the new homes are required to be Affordable Housing.

The local need and planned supply of new housing is not repeated here in full but is illustrated in the following documents;

Cambridge Sub-Region Strategic Housing Market Assessment 2013

www.cambridgeshireinsight.org.uk/housing/shma/shma-current-version

Local Plan Review Documents

www.cambridge.gov.uk/local-plan-review

www.scambs.gov.uk/services/local-plan

4.0 Objectives.

1,000 NEW HOMES.....and more

RIGHT HOUSES - RIGHT PLACE - RIGHT TIME

4.1 To complement the current market led delivery of housing and to drive certainty into the delivery of new housing, together with the prospect of delivering more homes into the future, will require a collective shift in thinking and action to achieve. The HDA will be the focus for the energy and imagination that is needed for this public sector drive to make sure the right houses are provided in the right place at the right time to support the growth of Greater Cambridge.

4.2 The following objectives are therefore proposed for the HDA;

- To deliver the commitment contained within the City Deal to deliver an additional 1,000 dwellings on exception sites by 2031.
- To deliver the new homes identified in Cambridge City Council and South Cambridgeshire District Council approved Housing Revenue Accounts new build strategies – approximately 2,000 new homes.

- c. To deliver new homes for Ermine Street Housing, the new private limited company created by South Cambridgeshire District Council, subject to the approval of its long term plan – potentially approximately 1,000 new homes. (The City Council is also currently considering the investment of General Fund capital in Intermediate Housing)
 - d. To act on land and funding opportunities proposed by the County Council and the University and Colleges meeting aspirations to retain a long term stake in any development and the draw down of revenue income streams.
- 4.3 Taken together this represents a build programme of at least 4,000 homes with the potential to deliver up to 8,000 if the land and funding opportunities allow. Over a 16 year period to 2031 4,000 homes equates to 250 homes per year which is the target rate of delivery used in this HAD Business Case.

5.0 The Benefits of the HDA

WHAT DIFFERENCE WILL THE HDA MAKE?

- 5.1 Both Cambridge City and South Cambridgeshire District Councils have a need to deliver their own Housing Revenue Account (HRA) build programmes. The early stages of these developments have involved a relatively small but a growing number of properties and have been delivered by a small in house team together with support from external agencies to help provide the technical advice and assistance required to take schemes forward.
- 5.2 The County Council need to identify development partners to unlock the potential of their land holdings. The volume of new builds to be delivered through HRA funding is projected to grow exponentially requiring extra staff resources which would push up staffing costs to both councils in addition to paying fees to external agencies. In addition the same technical skills will be required to take forward the build programme of the County Council, Ermine Street Housing, and other emerging City Deal Joint Ventures (JVs) or Special Purpose Vehicles (SPVs), including the recent proposal for the city council to invest General Fund (GF) capital in housing, Ermine Street Housing
- 5.3 The establishment of the HDA would enable the effective and efficient delivery of these various new build programmes and avoid duplication of skills within small fragmented teams. As the new housing programmes ramp up and the team increases in capacity there will be less reliance on external consultants. The HDA would ensure good project management and control over costs as well as generating a potential revenue surplus for the City Deal partners.
- 5.4 To repeat, as well as efficiency, there is the opportunity for the HDA to deliver additionality by working up schemes and partnerships around land and funding that would not otherwise happen.

6.0 The Operation and Financing of the Housing Development Agency

SCHEMES = FEES = HDA TEAM CAPACITY = FEES = SCHEMES

6.1 There are three inter-related factors that will dictate the operation and financing of the HDA. Operational (revenue) costs can be covered by fees charged to each (capital) development scheme. The operational income will therefore be dependent on the number of schemes that the HDA is managing. The number of schemes that can be managed will, in turn, be dependent on the HDA team capacity (skills, knowledge and experience) available. An understanding of this circular relationship between number of schemes; fee income and Agency team staff capacity is fundamental to the Business Case and how the HDA is sustainable in the long term.

6.2 It should be noted that in practice a variable fee structure will apply depending on the type of scheme and the input required by the HDA to manage the scheme's delivery. For the purposes of the Business Case a flat rate 3% fee has been assumed.

6.3 Target Schemes and Homes

The delivery of the minimum 4000 new homes set out in 3 above equates to the completion of an average 250 per year.

6.4 Target Fee Income

The completion of 250 new homes a year would generate an annual income for the HDA of £1,350,000 based on the following assumptions;

Unit Cost - £180,000 per unit

Annual Capital Cost - £45m

Fee – 3% of Capital Cost

6.5 Target HDA Team

The following HDA team is proposed to deliver at least 250 new homes a year. The HDA team would need to operate flexibly over the Greater Cambridge area but it is anticipated that each City Deal partner would have a senior person in the HDA as their 'account' manager.

Managing Director – overall managerial responsibility for the delivery of the City Deal objectives

Assistant Director – assist the Managing Director to develop and manage the HDA and assist with new business opportunities. Lead the delivery of some projects.

2 x Housing Development Managers – lead the delivery of teams and projects

3 x Housing Project Officers and Planning Officer – project manage schemes with the assistance of Trainees as directed by the managers.

3 x Trainee Project Officers – assist the project management of schemes

Commercial Director – lead on the marketing and sales of intermediate housing and where applicable market housing products delivered through the HDA.

2 x Sales and Development Administrator - peripatetic administrative support for the HDA

Appendix 1 shows the skill and knowledge set required within the HDA Team in relation to the housing development process that it will manage.

- 6.6 The HDA team fully costed equates to a fee charge of approximately 2% of capital development cost on 250 new homes based on the assumptions in 4.3 above. Assuming an average 3% fee allows a 1% charge to cover other specialist development costs such as up-front legal costs; procurement costs; specialist planning advice etc. with any surplus recyclable to pump-prime further activity.

Appendix 2 shows the target HDA team and specialist development costs, fully costed.

7.0 Transition from Existing Staffing to Target HDA Team

TRANSITION

- 7.1 This section of the Business Case will explain why pump-priming of £400,000 is essential to build on the capacity of the existing staff teams to deliver the target number of new homes. It is important to understand three key accounting practices that will apply to the HDA as follows;
- Fees cannot be charged for revenue costs incurred if a scheme does not proceed.
 - Fees cannot be charged for more than the actual revenue costs incurred
 - It is the practice of the social housing development sector to draw down fees at two stages in a scheme – once the construction has started on site and when the construction has completed.

Points a. and c. above in particular mean that taken in isolation the project management cost of each scheme runs with an operational revenue deficit until the scheme reached near completion. However, once a programme of schemes is established the aggregation of fee income and timing of fees received results in a sustainable Business Plan.

- 7.2 Helpfully we are not starting from a zero base in terms of schemes, fee potential and staff. The City Council has an established new build programme and staff team; South Cambs DC has its Property Company and a significant list of development sites and the County has at least two major development sites that have been approved to be brought forward. The University and Colleges have expressed an interest in developing some of their land or investing funding using the HDA.

7.3 **Existing Schemes** – The following table provides a summary of committed schemes and known potential schemes that could be delivered through the HDA.

New Homes by Year of Completion	2015.16	2016.17	2017.18
City Council	78	161	86
SCDC	35	64	58
Total	113	225	144

The above does not include the known potential County sites at Worts Causeway and Burwell as these will not complete until 2018.19 at the earliest.

Appendix 3 provides more detail of committed schemes and known potential schemes.

7.4 **Immediate Fee Potential** – The schemes referred to in 7.3 above would generate the following fee income.

Fee Income	2015.16	2016.17	2017.18
City Council	£357,020	£261,791	£458,100
SCDC	£53,604	£160,931	£329,357
Total	£410,624	£422,722	£787,457

7.5 **Transition from Current Staff Capacity the HDA Team**

The following is a summary of the existing staff capacity within the district councils.

Housing Development Manager (City)
Housing Development Officer (City)
Trainee Housing Development Officer (City)
Housing Development Manager (SCDC)
Plus miscellaneous staff that contribute to the housing development function

Appendix 2 shows the target HDA Team.

The following table summarises the transitional costs and income to move from the current staff capacity in 2015.16 to the target HDA Team in 2017.18 that is self-sustaining through fee income. The table shows that as well as no longer relying on City Deal funding, the HDA has the potential to generate a surplus in 2017.18.

	2015.16	2016.17	2017.18
(A) HDA Staff Team Cost	£439,314	£547,334	£640,225
(B) Specialist Development Costs eg up-front legal; procurement; specialist consultant etc.	£171,310	£75,388	£80,000
(C) Fees Income (charged to capital projects)	£410,624	£422,722	£787,457
(D) City Deal Funding	£200,000	£200,000	£0
Balance (A+B)-(C+D)	£0	£0	£67,232 (Surplus)

8.0 Governance Models and Option Appraisal

GOVERNANCE

8.1 There is a spectrum of models through which the HDA could be governed as illustrated by following headline SWOT analysis of three options.

In either model it is important to state that the control of each project specification, budget and approval remains with the land owning partner unless it is agreed otherwise.

8.2 The recommendation is to move as quickly as possible to Option 2, the Shared Service Model. The recommendation is made on the basis that this will be the quickest route to establish the robust team capacity needed to achieve a common purpose and will minimise the due diligence in respect of human resource and legal work associated with the set-up of a new legal company structure. This would not preclude a move to Option 3 in due course.

8.3 A target date to achieve a shared service is April 2016. In the interim it is proposed to establish a HDA Board to oversee the transition to the full shared service. The HDA Board will fit within the wider governance structure for shared service that is emerging across the local authorities. From August 2015 consideration will be given to secondment of staff into the shadow HDA structure and to buy in other resource on a temporary basis to deliver existing projects and programmes.

8.4 The operation of the HDA is not location dependent. It is proposed that a core office base be established but that the HDA Team would be peripatetic.

8.5 Option 1 - Collaborative Model

Under this model all staff remain with their partner authorities and operate primarily to deliver their host authority projects. City Deal partners agree to co-operate to ensure as far as is possible that partner operations do not conflict and are not counter-productive to the delivery of the City Deal housing objectives.

Strengths

- There would be no set up or costs associated with reorganising the staff teams.
- Decision making on the prioritisation of their projects would clearly remain with each partner.

Weaknesses

- Each partner authority is likely only to be able to afford small and therefore less robust staff teams with built in inefficiencies in terms of management and structure.
- It will be harder for each partner to recruit the wide range of skills required in an effective staff team
- There is the potential that partners will compete for same staff

Opportunities

- No obvious opportunities that are unique to this model

Threats

- Working collaboratively, but still independently, partner housing development programmes will be less flexible to adapt to any significant change in the external policy or funding environment.

8.6 Option 2 - Shared Service Model

Under this model the staff team would be brought together within a single management structure. There would be a legal agreement between the partners to capture the common purpose and objectives of the shared service, with a governing body with representation from the three local authorities overseeing its operation. One partner would need to be appointed to lead the shared service.

Strengths

- Having a single staff team will generate management and operational efficiencies.
- The collective staff resource of the partners will be focused on delivering the housing objectives of the City Deal.
- Recruitment and retention will be aided by the focus on the common objectives.
- Monitoring of outputs and outcomes will be aided by the presence of a single governing body.
- This model fits with the emerging governance structure for a number of other shared services already set up or being worked on by partners.

Weaknesses

- There will be up-front costs to bring existing staff together in a single structure.
- Unless thought through thoroughly from the outset, it will complex to bring the shared service to an end.

Opportunities

- A single, larger shared housing development agency will have a greater presence in the development market place and would be better placed to deliver the additionality of working up schemes and partnerships around land and funding that would not otherwise happen.
- This model lends itself as a practical transitional model to use to ease the move from current management and organisation of the partners current programmes.

Threats

- No obvious threats that are specific to this model.

8.7 Option 3 - Wholly Partner Owned Local Company Model

Strengths

- Having a single staff team will generate management and operational efficiencies.
- The collective staff resource of the partners will be focused on delivering the housing objectives of the City Deal.
- A pay and conditions structure can be implemented that is in tune with market and will aid recruitment and retention.
- Monitoring of outputs and outcomes will be aided by the presence of a single governing body.

Weaknesses

- There may a perception that the Company is too far removed from the democratic decision-making process.

Opportunities

- There may be Tax advantages but these will need to be worked through once the HDA is established.

Threats

- No obvious threats that are specific to this model.

9.0 Risks and Issues

RISK AND MITIGATION

Risk	Mitigation
National policy imposing further restrictions on local authority direct delivery of new housing eg restrictions on setting up companies to avoid RTB.	Lobbying of government through City Deal and Devolution debates.
Delay in completion of schemes results in fee income not being achieved.	Careful planning of the timing of the programme of schemes. Close systematic monitoring of scheme progress. Having a larger programme of schemes will lessen the impact of the slippage in the programme.
Difficulty in recruiting the skilled and experienced personnel required in a competitive market.	The profile and robustness of the HDA will represent a better offer to attract staff. Investigate application of market supplement to local authority pay structure.
Perceived lack of control of land owning or funding City Deal partners.	Land owning or funding City Deal partners retain of project specification, budget and approval. Project delivery monitored by Board.

End

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Appendix 1

Greater Cambridge Housing Development Agency – The Development Process and Skills and Knowledge Input

Development Stages	Skills and Knowledge Required
<p>Site Identification – Development land audit; initial development feasibility and constraints mapping, legal title and legal searches; land assembly and acquisition. Process to capture both new opportunities and prioritisation of schemes.</p>	<p>Negotiation skills re land acquisition Local Plan and planning process including ‘exception sites’. Legal rights as they apply to land Land conveyancing Site services required for a housing development Access, site location and appreciation of other site constraints and opportunities.</p>
<p>Development Brief – Lead partner’s requirements for the site (or programme of sites) – desired outcomes and outputs for the development – financial (capital and revenue); use; built form and standards; and risk appetite. <i>Milestone Decision</i></p>	<p>Partner policies and procedures Appreciation of the political dimension Risk assessment</p>
<p>Development Option Appraisal – Indicative scheme layouts within density and planning policy parameters. Detailed constraints mapping, topographical and ground and site surveys. Impact of different disposal and development options on value and financial viability - including evaluation of procurement routes and required development partners. Risk assessments including tax implications. <i>Milestone Decision</i></p>	<p>Affordable Housing sector and options to deliver. Understanding range of development consultants and the services they offer. Expert in assessing financial viability of housing development. Legal options for land disposal eg outright sale, development agreement, joint venture etc. Public sector procurement. Appreciation of tax and state aid law. Finance options.</p>
<p>Implementation of Preferred Development Option – Dependent on selected option, procurement route and selected development partners, progression of detailed scheme design</p>	<p>Risk management. Commercial negotiation Sustainable Housing Standards.</p>

<p>and land disposal and construction contracts including development of lead partner's specification. Any required procurements to implement the above including financial and other checks of partners. Pre-application discussions with planning authority and achievement of planning approval. Finalise scheme viability assessment and scheme budget. Negotiation of final legal terms of contract.</p>	<p>Collation of critical pre planning information Commissioning of external consultants including design team. Health and Safety considerations Critical analysis and evaluation of legal agreements</p>
<p>Construction Stage – Management of build contract, build quality, cost control and required variations.</p>	<p>Technical and construction knowledge. Knowledge of build contracts. Contract management Cost control.</p>
<p>Handover into Use and Occupation – As built drawings. Building equipment operational manuals. Defects period. Estate management strategy; establishing rents and service charges. Marketing and sales of intermediate housing and market housing options. Letting of other retail and commercial uses and transfer into community uses where applicable. Transfer of public realm and highway into management and maintenance.</p>	<p>Internal customer relationships. Promotion and marketing Sales</p>
<p>Community and stakeholder consultation – To be undertaken at any stage of the development process as required and appropriate to the scheme.</p>	<p>Presentation and communication skills</p>
<p>Partnership Working -</p>	<p>Strategic approach to networking New business relationship management Key networks eg HCA/local developers/Registered Providers</p>
<p>General</p>	<p>Schemework audit Monitoring systems</p>

Milestone Decisions – The authority of the lead partner to proceed will be required at different stages of the development process. The ‘milestone’ decisions will vary from scheme to scheme and will need to be agreed as part of the Development Brief for each scheme. The above schedule shows some indicative point for Milestone Decisions for illustrative purposes.

Key Skills and Knowledge Required by Position – The list below is not exhaustive and a general level of understanding of the development process will be required across all positions. The list provides a flavour of the key skills and knowledge that differentiates the input at different positions.

Managing Director - overall managerial responsibility for the delivery of the City Deal objections.

- New business relationship management
- Partner policies and procedure and appreciation of the political dimension
- Risk assessment
- Legal options for land disposal eg outright sale, development agreement, joint venture etc.
- Finance options
- Commercial term negotiations

Assistant Director and Housing Development Managers – Partner account managers

- New business relationship management
- Partner policies and procedure and appreciation of the political dimension
- Risk assessment
- Legal options for land disposal eg outright sale, development agreement, joint venture etc.
- Finance options

- Commercial term negotiations
- Procurement
- Critical analysis and evaluation of legal agreements
- Project management and team management

Housing Project Officers and Trainees – Project management

- Local Plan and planning process including 'exception sites'
- Site appraisal
- Financial viability assessment
- Collation of critical pre planning information
- Commissioning of external consultants including design team.
- Health and Safety, technical and construction considerations .
- Build contract management and cost control.
- Internal customer relations .

Commercial Director

- Marketing intermediate housing and market housing products
- Sales strategy
- Promotion and communication strategy for the HDA



Cambridge City Council Item

To: Leader of the Council
Report by: Liz Bisset, Director of Customer and Community Services
Relevant scrutiny committee: STRATEGY AND RESOURCES COMMITTEE
13 JULY 2015
Wards affected: ALL WARDS

Street Lighting – County Council Proposals

Not a key decision

1. Executive summary

- 1.1. Following major budgetary reviews, the County Council proposes to dim street lighting, and to turn off lights in a number of areas across the County overnight, with midnight to 6am the current proposed hours.
- 1.2. The proposals will have a significant impact in the City, not least on community safety. Both County Council and City Council recognise the need to meet together on the proposals, and discuss options on the County's planned implementation, whilst recognising the need at the County Council to identify savings and deliver against budget pressures.
- 1.3. The City Council has raised a number of concerns around the safety of the public if the planned lighting goes through as currently proposed. Residents, visitors, our large student population and workers from entertainment establishments walk and cycle home late at night, including through the green spaces which are well used walking and cycling routes even at night. There are also concerns around the high risk areas for crime and anti-social behaviour, particularly related to the vibrant night time economy. These areas are served by CCTV and, the impact of dimmed or switched off lighting in these areas would have a detrimental effect on the operations of the cameras.

- 1.4. This report sets out the framework of the lighting proposal and details the areas of significant concern in the City and suggests considerations for negotiation with the County Council.
- 1.5. An initial meeting has been arranged with the county council before the Committee meets, but after the deadline for reports and any progress at that meeting will be reported to Committee.

2. Recommendations

The Executive Councillor is recommended to work with the County Council on options to minimise the impact of the changes, and approve a formal response by the City Council to the County Council following input by Committee, and seek:

- 2.1. A timeframe and effective method for public consultation on the lighting proposals being put forward by the County Council and agreement to undertake consultation jointly with the County Council.
- 2.2. Further views from the city's police and any additional recommendations on overnight street lighting, and also the views of other key stakeholders including our two Universities and central city businesses.
- 2.3. County Council agreement to remove streets from dimming or switching off where CCTV is located.
- 2.4. The removal from the proposal of walking and cycling routes, particularly across open spaces.
- 2.5. Changes to the timing and scope of the proposed switch off to take into account the needs of city centre life and the night-time economy.

3. Background

- 3.1. As a result of a major review of budgets Cambridgeshire County Council have proposed turning off street lights in certain areas across the County from midnight to 6a.m. and dimming lights in other areas. Lighting on main roads is planned to continue through the night. They are committed to savings of £274k countywide

initially across 2015/16 and 2016/17. However, since starting our discussions with the County Council they have confirmed that they are deferring the implementation of the proposal until April 2016 and therefore there will be no saving in 2015/16 other than those made by the current dimming arrangements. The deferment will enable a period of consultation with all Local Authorities affected by the proposal across the County as well as further discussion with the police.

3.2. The proposal is incorporated into the County Council's current Business Plan and has been approved by their full Council. In a letter to Cllr. Lewis Herbert the Leader of the County Council states that;

- As part of the street lighting renewal project, the County Council have introduced a new management system, which allows them to vary the lighting levels and timings of individual lights remotely. Not all county street lights are on the central management system and, for those that are not (mainly in more remote villages), it is not cost effective to switch these off. However, the vast majority of the County's street lights are on the system and these total 38,386, some 77% of the total stock, of which 10,398 are within Cambridge City, the rest being mainly in market towns and larger villages around the county.

3.3. The County Council have been unable to specify the level of savings that would result from dimming and overnight switch off within Cambridge City. However, they offered reassurance that they were treating all parts of the network on the system equally. The 10,398 streetlights in Cambridge City represent 21% of the County Council's total street lighting across Cambridgeshire, or 27% of those on the Central Management System. These figures could be used as a benchmark to ensure the city does not take a disproportionate share of the savings.

3.4. The City Council recognises the budget pressures that the County Council are under and the need to identify savings. However, the specific nature of City life and public safety needs to be considered.

Both the City Council and County Council representatives acknowledge that the proposals to switch off street lighting in the city will have a significant impact, not least on community safety. For this reason the City Council wants to work with the County to achieve change to the implementation of this proposal. Some of the concerns that have been raised are:

- we have a large student and young population living in the city centre who walk and cycle home late at night, including significant numbers after midnight particularly between 12pm and 1am;
- green spaces in the city have well used walking and cycling routes even at night;
- we have community safety hotspot and CCTV areas that need to be well lit;
- the timing and scope of areas to be switched off from midnight needs to take account of city centre life and the night-time economy, and also the need for a range of workers who leave in the hour before 6am who also need street lighting.

3.5. The County Council have given us draft plans of their lighting proposal to enable our discussions with them and our local knowledge will assist with the re-categorisation of a number of the roads by the County Council. Detailed plans will be made publically available as the proposal is developed and agreement on possible alternatives have been reached. At that stage the County will be in a position to provide costs to the different options.

3.6. City Council officers have looked at the proposal and consulted with the CCTV Operations Manager and the Neighbourhood Policing Manager and concerns have been raised around specific areas in relation to hotspot crime areas, the effective operation of CCTV both permanent and re-deployable and the general safety and perception of safety of residents and visitors.

3.7. Permanent CCTV

Permanent CCTV cameras are located in the hotspot areas of the night time economy, residential areas and shopping precincts, where the risk of anti-social behaviour and crime are highest. Reduction of lighting in these areas would seriously reduce or

remove CCTV's capability to observe and identify incidents, offenders and escaping offenders and the ability to gather useable evidence. It might also affect power supplies to a number of cameras making them unworkable. A reduction in the capability of the cameras due to the removal or dimming of lighting is likely to impact on investigations, crime prevention and detection.

3.8. Re-deployable CCTV

Re-deployable CCTV is used extensively in Cambridge to help address ASB and crime and disorder. In 2014/15 there were 42 deployments in various locations across the city for periods of from 2 to 12 weeks. Generally the evidence from the CCTV Operations suggests that when cameras are erected incident numbers drop and arrest figures decline, suggesting they are an effective deterrent. However, we do need to have adequate lighting in place where the cameras are deployed, which is usually in residential areas where there is no centrally controlled CCTV. The Safer Communities Section of the City Council and the police sometimes rely on evidence from re-deployable cameras in hotspot areas where residents are not inclined to come forward due to fear of recriminations.

Recent locations for these cameras as an example are:

- I. Sidney Sussex St (ASB, fighting etc. after clubs close)
Requested by Police
- II. Scotland Rd/ Green End Rd (ASB, drug and alcohol abuse and boy racers) Requested by ASB Team
- III. Minerva Way (Fly Tipping) Requested by Street Scene Team
- IV. Cherry Hinton Recreation Ground (Reports of increase in knife crime, muggings) Police Request.

3.9. Response from local police

The local police response to the proposal states that;

Any dimming / removal of lights which has an adverse effect on the capabilities of the CCTV will have an adverse effect on crime prevention and detection. Whilst the key locations for CCTV are in the city centre (particularly those areas that cover night time economy hotspots in Market Square, Rose Crescent, Sidney

Street, St Andrews Street and Regent Street), CCTV is often an essential tool in tracking and identifying people as they leave the city having been involved in crime, whether offender or victim. We have good operational support and coverage from our existing CCTV and a reduction of capability is likely to have an impact with regard to subsequent investigations.

3.11 The Executive Councillor is recommended to work with the County Council in line with the recommendations

1. Implications

1.1. Financial Implications

We have not had an indication from the County on the saving relating to their proposals in the City. It is suggested that the figures quoted at 3.3 be used as a benchmark to ensure the City does not take a disproportionate share of the savings.

1.2. Staffing Implications (if not covered in Consultations Section)

Any staffing issues for the city council are likely be covered by current resource.

1.3. Equality and Poverty Implications

We will need to carry out an equality impact assessment when we have more detail of current proposals and potential alternatives being agreed with the County.

1.4. Environmental Implications

As part of this section, assign a climate change rating to your recommendation(s) or proposals. You should rate the impact as either:

The impact will be assessed when the detailed proposals have been agreed.

1.5. Procurement

None

1.6. Consultation and communication

It is being suggested that a public consultation is necessary before the proposals come into effect at 2.1.

1.7. **Community Safety**

As stated in the report

2. **Background Papers**

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

An equality impact assessment will be carried out when we have established the detail of the lighting proposal

3. **Appendices**

None

4. **Inspection of papers**

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

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To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: David Kidston, Strategy and Partnerships Manager
Relevant scrutiny committee: Strategy & Resources 13/7/2015
Scrutiny Committee
Wards affected: All

SINGLE EQUALITY SCHEME 2015-2018

Key Decision

1. Executive summary

- 1.1 The City Council has developed a new Single Equality Scheme that sets out how the organisation will challenge discrimination and promote equal opportunity in all aspects of its work over the next three years. It includes five strategic objectives that demonstrate how the organisation will meet the aims of the Equality Duty and the requirement to prepare and publish one or more equalities objectives.
- 1.2 The draft of the new scheme was approved for public consultation at Strategy and Resources Committee on 19 January 2015. Public consultation on the scheme took place for 13 weeks from 2 March to 29 May 2015. This report presents the key findings from the consultation and a finalised version of the Single Equality Scheme for approval.

2. Recommendations

- 2.1 The Executive Councillor is recommended to approve the finalised Single Equality Scheme 2015-2018 at Appendix C.

3. Background

- 3.1 In April 2011 the general Public Sector Equality Duty (PSED) was implemented, which requires local authorities when they are exercising public functions to have due regard to the need to:

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

3.2 The Equality Act 2010 also requires local authorities to:

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

3.3 To meet the requirements of the PSED and the other specific duties established in the Equality Act, the City Council chose to produce two Single Equality Schemes, the first covering the 2009-2012 period, and the second covering the 2012-2015 period.

3.4 We have also published annual reports setting out our equalities activities and progress in delivering the objectives included in the Single Equality Scheme. Every year we also publish our Equality in Employment Workforce Report, which provides detailed information about the make-up of our workforce.

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

3.6 The new three-year scheme builds on the previous one and all the achievements the Council has made in recent years on the equalities and diversity agenda. It covers all the protected characteristics of Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex, and Sexual Orientation.

3.7 The finalised scheme and the strategic plan incorporated within it do not attempt to capture everything the City Council does to advance

equalities and diversity, but it sets out the organisation's priority areas for action in the next three years. The scheme was developed through an understanding of the City Council's achievements to date, an analysis of data available from relevant research and consultation exercises, and an assessment of where the authority needs to focus further effort.

3.8 The finalised Single Equality Scheme identifies 5 objectives for the City Council's work on equalities issues from April 2015 to March 2018. The proposed objectives for the new scheme are:

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

4. Consultation

4.1 In accordance with the principles of the Cambridgeshire Compact, public consultation on the draft Single Equality Scheme took place for 13 weeks from 2 March to 29 May 2015. As part of the consultation officers:

- Published the draft strategy and a questionnaire survey on the City Council website. The survey was publicised via the Council's Twitter account (in March and May) and sent directly to relevant partner organisations. A total of 22 responses were received to the survey.
- Held 10 bilateral meetings with the following voluntary and community groups that represent particular equalities groups:

Age UK, Cambridge Ethnic Community Forum, Cambridge Women's Aid, Cambridge Women's Resources Centre, Cam Sight, Centre 33, Disability Cambridgeshire, Jimmy's, Lifecraft, and Sexyouality.

- Sought advice from the Equalities Panel at a Special Meeting of the Panel on 2 February 2015.
- Sought the views of City Council staff via the Joint Equalities Group on 2 March 2015.

4.2 The findings from the consultation survey are summarised in Appendix A. Although 22 is a very limited number of responses, most of those who responded were supportive of the objectives and actions included in the SES. 82% of responders agreed that the five objectives for the scheme would challenge discrimination and improve equality of opportunity. In relation to the proposed actions, at least 75% of responders agreed that the actions would help achieve each of the five objectives.

4.3 The key issues raised by residents and stakeholders who participated in the above consultation activities are summarised in Appendix B. The City Council has provided a reply to each of these issues, to explain if each suggestion can be incorporated in the strategy, or if the City Council already has a means or an alternative way of doing what is being suggested. Where a suggestion cannot be taken forward, the City Council has explained why not.

4.4 The finalised version of the SES attached at Appendix C has been updated to reflect those suggestions that can be incorporated. For ease of identification, amendments made to the text of the scheme have all been underlined in the version that appears in Appendix C. Where new actions have been added to the Strategic Action Plan at the end of the scheme, the relevant cells in the table have been highlighted in grey.

4.5 The key changes that have been made to the Strategy since it was last presented to Strategy and Resources Committee are:

- The wording of Objective 3 (see 3.8 above) has been amended to include the words 'work towards a situation where'. This is intended to ensure that the Single Equality Scheme does not raise unrealistic expectations about what the Council can

achieve in relation to equal access and participation in public activities and spaces.

- Additional text has been added on p24 to explain the scope of the Council's influence on equalities issues and articulate how the Council will work in partnership with other organisations to achieve some of the objectives.
- The wording of Objective 5 (see 3.8 above) has been amended to include a reference to ensuring that our procurement policies are non-discriminatory. Two additional actions have also been added at 5.3 in the Strategic Action Plan, on updating the dedicated procurement guide for staff on equalities issues, and auditing whether equalities requirements of contracts are monitored.
- Additional actions have been included in response to issues identified through the consultation and developments since the draft strategy (3.1 on Cambridgeshire Celebrates Age activities; 3.2 on World Mental Health Day activities; 3.2 on promoting befriending schemes for older people; and 4.2 on celebrating LGB&T communities in Cambridge and tackling discrimination and harassment they experience).

5. Implications

(a) Financial Implications

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

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

As equalities has been mainstreamed across all Council services, the activities and actions identified in the strategic action plan will primarily be delivered as part of the core responsibilities of staff within the relevant services. The Joint Equalities Group is made up of staff

representatives from across all City Council services who are able to input time to supporting the mainstreaming of equalities. These are not specific posts within services, but are roles that have been adopted by staff where departments have been able to absorb additional duties.

(c) Equality and Poverty Implications

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

The Council has developed a dedicated Anti-Poverty Strategy to improve the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also to alleviate issues that can lead households on low incomes to experience financial pressures. The Single Equality Scheme focuses primarily on the nine protected characteristics identified in the Equality Act 2010, but references actions included in the finalised Anti-Poverty Strategy where relevant.

(d) Environmental Implications

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

(e) Procurement

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

(f) Consultation and communication

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

(g) Community Safety

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

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

6. Appendices

Appendix C –Single Equality Scheme 2015-2018

7. Inspection of papers

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

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Appendix A - Single Equality Scheme consultation survey responses

The tables below summarise the responses received to the 6 questions included in the online survey as part of the Single Equality Scheme consultation.

Q1. We have identified six objectives that we believe will enable us to challenge discrimination and improve equality of opportunity. Do you agree or disagree with our choice of objectives?

	No. of responses	Percentage
Agree strongly	8	36.4
Agree	10	45.5
Neither agree or disagree	3	13.6
Disagree	1	4.6
Disagree strongly	0	0.0

Q2. Do you agree or disagree that the actions listed under Objective 1 in the action plan will further increase our understanding of the needs of Cambridge's communities?

	No. of responses	Percentage
Agree strongly	7	33.3
Agree	11	52.4
Neither agree or disagree	2	9.5
Disagree	1	4.8
Disagree strongly	0	0.0

Q3. Do you agree or disagree that the actions listed under Objective 2 in the action plan will improve access to our services?

	No. of responses	Percentage
Agree strongly	10	45.5
Agree	6	27.3
Neither agree or disagree	4	18.2
Disagree	2	9.1
Disagree strongly	0	0

Q4. Do you agree or disagree that the actions listed under Objective 3 in the action plan will help ensure residents have equal access to public activities and spaces and are able to participate fully in the community?

	No. of responses	Percentage
Agree strongly	9	42.9
Agree	9	42.9
Neither agree or disagree	3	14.3
Disagree	0	0.0
Disagree strongly	0	0.0

Q5. Do you agree or disagree that the actions we have listed below will help tackle discrimination, harassment and victimisation and ensure that people from different backgrounds get on well together?

	No. of responses	Percentage
Agree strongly	9	42.9
Agree	9	42.9
Neither agree or disagree	2	9.5
Disagree	1	4.8
Disagree strongly	0	0.0

Q6. Do you agree or disagree that the actions listed below will ensure that our employment policies and practices are non-discriminatory and help achieve a more representative City Council workforce?

	No. of responses	Percentage
Agree strongly	6	30.0
Agree	9	45.0
Neither agree or disagree	3	15.0
Disagree	2	10.0
Disagree strongly	0	0.0

Appendix B - Issues raised through the Single Equality Scheme consultation

The table below provides a summary of the comments made by responders to the online survey, advice given by Members of the Equalities Panel and feedback from stakeholders in one-to-one meetings

Issues raised by the consultees	Cambridge City Council response
<p>Gender – Some consultees highlighted a number of issues facing women in Cambridge which need addressing through the Single Equality Scheme:</p> <ul style="list-style-type: none"> • There is a need to promote positive images of strong, empowered women. In particular, tackling domestic violence requires changes in attitudes including raising the status of women in society, normalising non-abusive behaviour and providing informal support networks. • Women not feeling safe in the evening and at night, particularly on public transport. • Some women may not be able to access services or opportunities due to controlling relationships. • In some circumstances there is a need to engage with women differently. For example, offender management services have recognised that all-women support groups can be more supportive and less intimidating. • Some of the accessibility issues can apply to parents with pushchairs, older people and others with mobility issues. 	<ul style="list-style-type: none"> • The City Council played an active role in supporting the Women of the World Festival in Cambridge on 8 March, which is a festival of talks, debates, and arts events that celebrate the talents of women and girls from all walks of life and all parts of the world. For example, the Council supported a travelling exhibition of photographs of influential women in Cambridge and posters with motivational quotes posted in locations around the city. • The City Council has provided grant-funding for a number of voluntary organisations which provide support and a safe space for vulnerable women. • Those actions under Objective 3 in the SES action plan which aim at improving accessibility have been amended to include older people and others with mobility issues, as well as disabled people
<p>Young people – Some consultees commented that reducing levels of youth service provision are impacting on young people. They observed that the City Council has historically provided a high level of youth provision and still does, but the County Council has less resources to do ‘in-reach’ activities in schools and is restructuring its Youth Services, and provision for Information Advice and Guidance has significantly reduced.</p>	<p>The City Council continues to work with children and young people across the city through its Children and Young People’s Participation Service, running a range of open access, organised activities in local neighbourhoods. The service was recently reviewed and now focuses most of its work in disadvantaged communities, and has an increased emphasis on raising income by providing services for other local organisations, such as schools. This work is highlighted in the SES Action Plan under Objective 3.</p>
<p>Older people - A number of consultees agreed that social isolation and</p>	<p>The Council’s Anti-Poverty Strategy (APS) contains a specific objective on</p>

Issues raised by the consultees	Cambridge City Council response
<p>'social poverty' are a key issue for some older people. It was suggested that providing transport to help older people attend groups and events, supporting volunteering and befriending schemes, and promoting digital inclusion for older people would help reduce isolation.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 193</p>	<p>reducing the social isolation experienced by many older people in Cambridge. The APS Action Plan and SES action plan both identify a number of events and activities that will reduce isolation for older people, including:</p> <ul style="list-style-type: none"> • Continuing to run and support groups for older people • promoting existing volunteering and befriending schemes provided by voluntary and community organisations such as AgeUK • Work with partners and voluntary groups to develop and deliver a programme of events as part of the annual "Cambridgeshire Celebrates Age" festival • Providing a tenure neutral city-wide support service for older people • Providing targeted sports development work, including work to reduce falls amongst older people <p>The City Council does not have direct influence over bus operators and transport providers, but it does provide the Taxicard scheme, which provides people with disabilities, including older people, with discounts on taxi fares. The City Council is also promoting digital inclusion for older people through the roll out of wireless broadband in all council-owned sheltered housing schemes.</p>
<p>LGB&T – Some consultees felt that the SES needs to set out more clearly what action the Council is taking to address the key findings from the LGB&T needs assessment. In particular, it was suggested that work was needed to:</p> <ul style="list-style-type: none"> • support LGB&T residents experiencing mental illness, self-harm, and alcohol use. • Educate communities that may be less tolerant of LGB&T people, such as some BAME communities <p>It was also suggested that the SES needs to:</p> <ul style="list-style-type: none"> • Include data on transgender people in the section on gender. 	<p>The Council is working closely with Encompass, Sexyouality and other voluntary groups to take action to address the findings from the LGB&T needs assessment. The following activities have been added to the finalised SES under Objective 4 in the Action Plan:</p> <ul style="list-style-type: none"> • Including Pink activities in the Big Weekend to raise awareness of LGB&T issues and supporting a Pink festival in May 2016 • Inviting Encompass to participate in the programme of activities for World Mental Health Day being co-ordinated by the Council • Working with Encompass and the Ethnic Community Forum to arrange events to bring together BAME and LGB&T communities as part of Black History Month and LGBT History Month • Using links with business organisations such as the Business

Issues raised by the consultees	Cambridge City Council response
<ul style="list-style-type: none"> • Include data on LGB&T staff in the section on the Council's workforce, in addition to the data on BAME and disabled staff already included in the scheme 	<p>Improvement District (BID) to promote a rainbow kitemark scheme being launched by Encompass for shops that are welcoming to LGB&T people</p> <p>Data on the estimated number of transgender people has been added in the section on gender on page 7 of the SES. Data on the number of LGB&T staff in the Council workforce has been added on page 20, along with data on gender, age and religion or belief. More detailed information is available in the annual Equality in Employment reports, which can be found on the Council's website here: https://www.cambridge.gov.uk/equality-and-diversity-performance</p>
<p>Mental health – Some consultees said that action is needed to tackle discrimination and stigmatisation of people with mental illnesses. The Council could support people with mental health issues by:</p> <ul style="list-style-type: none"> • Ensuring that Council employment policies support people with mental illnesses in work • Offering part-time, supported permitted earnings contracts to staff with mental health issues to enable them to contribute more fully and get out of poverty. • Providing a minimum quota for employment of people with mental health issues and other disabilities. • Providing a break-down in equalities monitoring for different disabilities, including mental health. • Providing free swimming for people with mental health issues who are on a low income. • Tackling social isolation, which is key for people with mental health issues as well as older people. 	<ul style="list-style-type: none"> • The City Council is working with partner organisations across the City to provide a range of awareness raising activities on mental health issues as part of World Mental Health Day in October 2015. These activities will be targeted both at City Council staff and at local communities. This has been added as action to the finalised SES under Objective 3 in the action plan. • The Council also provides regular training for staff and Councillors on how to support colleagues and members of the public with mental health issues. • The City Council currently provides discounted access to leisure centres for people on Means Tested Benefits, including those with mental health issues, and provides a free programme of sports sessions for people using mental health services, including gym sessions, football, swimming, t'ai chi, multi-sports activities, and tennis and badminton sessions. • The Council has a workforce target for staff declaring a disability of 6.5%. This includes people with mental health issues, but there are no plans currently to include a specific target for staff with mental health issues. The Council also currently monitors the number of disabled staff in the workforce, along with recruitment rates, and training attendance, but there are currently no plans to break this down into specific disabilities such as mental health issues.
<p>Integration – Some consultees felt that the SES should mention</p>	<p>In line with Government guidance, the Council does not routinely translate</p>

Issues raised by the consultees	Cambridge City Council response
<p>communities which do not currently integrate with the wider community in Cambridge. They felt that providing interpreters and translating documents into different languages does not provide any incentive to learn English. Instead, they suggested that the Council should focus on providing free English language courses to help communities integrate. However, other residents felt that the Council should translate documents into other languages.</p>	<p>documents into other languages. However, in some instances we need to provide interpreters to ensure that people who do not speak English are able to access the services that they urgently need, or in some circumstances to ensure that we are able to explain the action that the Council is taking against particular residents. The Council does not provide English language courses directly, but there are a wide range of courses available through FE colleges and voluntary organisations in Cambridge.</p>
<p>Accessibility – Some consultees strongly agreed that it was important to improve accessibility for disabled people and supported the actions outlined in the SES. In addition, consultees felt it was important to:</p> <ul style="list-style-type: none"> • Ensure that street furniture and waste bins do not create obstacles. • Improve bus services in Cambridge to increase access to public and private activities, services and spaces. • Consult disabled people on changes to infrastructure. • Disabled people are more likely to be on low incomes, and therefore more likely to experience poverty of opportunities. For example they are less likely to be able to afford to attend ticketed arts, cultural and sports events in Cambridge 	<ul style="list-style-type: none"> • The Council is currently carrying out a review of accessibility in the city centre which will include an assessment of the impact of street furniture and waste bins. • As outlined above, the City Council does not have direct influence over bus operators and transport providers, but it does provide the Taxicard scheme, which provides people with disabilities with discounts on taxi fares. • The Council recognises that there is the potential for disabled people to be excluded from arts, cultural and sports activities due to income or accessibility issues. In 2013 the Council supported a supported a disability sports and arts festival, which included a diverse range of workshops, demonstrations, performances and film screenings. The Council continues to provide free swimming sessions, gym sessions and exercise classes for people with disabilities, mobility problems and long-term conditions.
<p>Digital inclusion - Some consultees agreed strongly that the Council should support residents to access the internet and develop their digital skills, and they supported the actions set out in the SES. Access to the internet was seen as a potential barrier to equal citizenship, and could restrict access to services and benefits such as Universal Credit. However, some consultees felt it was important to continue to provide alternatives to digital services for those who do not have the skills or cannot afford the internet. One consultee also felt it was important for the Council to work with public libraries to promote digital inclusion.</p>	<p>Through our developing Digital Strategy, we will make more services available via digital methods. This will help ensure that customers can use our services in ways and times that suit them. By providing greater online access to information, documents, forms and processes, we will also free up staff time and save money. This will contribute to managing the financial pressures the Council faces and help us to focus our resources on those who need our services most and where they can make the most difference.</p> <p>To overcome the barriers to accessing digital services, we will explore opportunities to increase internet access points in community buildings (e.g. community centres) to ensure that vulnerable people can access the</p>

Issues raised by the consultees	Cambridge City Council response
	<p>information or services they need. Where necessary, we will train staff or ‘Digital Champions’ to support our most vulnerable residents to build their digital capacity, capability and connectivity. We have recently launched a Digital Inclusion grant fund, which will provide funding to voluntary and community groups for projects which will develop the digital skills of vulnerable residents.</p>
<p>Consultation and engagement with residents – Consultees made a number of comments regarding consultation and engagement with residents by the Council. These included:</p> <ul style="list-style-type: none"> • There is a need to engage more with the community and provide opportunities for interested residents to engage in debate with Councillors and Council officers. • There is a need to increase the diversity of people who engage with the Council. For example, this could be achieved by running workshops in schools and colleges, explaining how the Council is run and how people can influence Councillors. 	<p>The Council actively seeks to engage residents in the decisions it makes. Scrutiny Committee meetings and Area Committee meetings are all open to the public and include the opportunity for members of the public to ask questions. The Council regularly consults publicly on decisions, policies and projects which impact on local residents (see the City Council’s website for a list of current and past consultations: https://www.cambridge.gov.uk/how-we-consult). The Council’s Code of Practice on Consultation and Community Engagement (available from the same page of the website) sets out the key principles which guide our approach to consultation. Following targeted consultation with LGB&T residents in 2014, we are currently consulting women, men on low incomes, people with disabilities, and BAME residents and faith communities in Cambridge on the particular issues that they face. As part of our efforts to engage residents in the Council’s work, the Leader of the Council has recently held talks at local schools to explain what the Council does, how young people can get involved and to answer their questions.</p>
<p>Engagement with businesses – Some consultees felt that the council needs to engage more with businesses on equalities issues. In particular, they suggested that the SES needs to make greater reference to how the Council can promote equalities through procurement and working with contractors. The Equalities Panel recommended that procurement policies should be added to Objective 5 of the SES.</p>	<p>The Council has a Quick Procurement Guide on ‘Equalities, Social Value and the Living Wage’ which sets out the Council’s approach to equalities in procurement and provides guidance for staff who are procuring goods and services. The guide was updated in October 2014. The guide requires contract managers to assess early in the process whether equalities considerations are relevant, and if they are, to identify how they can be addressed through the procurement process and the contract. It also requires contract managers to ensure that any equalities requirements are being met by contractors, through good contract management and data collection. Two new actions have been added to the Single Equality Scheme at 5.3 in the Strategic Action Plan:</p>

Issues raised by the consultees	Cambridge City Council response
	<ul style="list-style-type: none"> • Review the Council's Procurement Guide for officers on 'Equalities, Social Value and the Living Wage' and update it to reflect any relevant changes in equalities or procurement legislation and guidance • As part of a wider audit of the Council's contract management processes, audit a sample of contracts to determine whether equalities considerations are being monitored effectively
<p>Employment issues –A variety of views were expressed on how the Council should increase the representativeness of its workforce, including:</p> <ul style="list-style-type: none"> • Rather than setting targets, BAME and disabled applicants should be provided with training and support. • Reviewing the approach to internal recruitment and the impact that this could have on diversity. 	<p>The Council recognises that it is important that its workforce is as representative of the community it serves as possible. We monitor and report on diversity in our workforce through annual Equality in Employment reports to the Council's Equalities Panel, and we set targets for the proportion of its workforce that are BAME and disabled in order to help drive this change. We have carried out a survey of BAME applicants and will analyse the results to identify whether there are any barriers that BAME applicants particularly experience. All City Council employees, including BAME and disabled staff, have equal access to an extensive programme of training opportunities.</p>
<p>Apprenticeships - Some consultees expressed strong support for the Council's focus on apprenticeships as a way of ensuring that local people can access employment and contribute to the success of the city. However, some consultees commented that it is important to ensure that apprenticeships are accessible to people on low incomes, as there is currently a high level of competitions for apprenticeships in trades. Vulnerable young people also need support once they are in apprenticeships.</p>	<p>We welcome the support for action on apprenticeships. While the City Council apprenticeships will be open to all and we will accept the best candidates, we will explore how we can actively promote the opportunities to people in disadvantaged areas of Cambridge through Cambridge Regional College and City Council housing officers.</p>
<p>Monitoring outcomes – It is important that the outcomes of the SES are monitored. This could be achieved through regular surveys and encouraging members of the public to report instances when the Council falls short.</p>	<p>We will provide updates on the delivery of actions included in the SES action plan as part of our Annual Review of Equalities, which is presented to the Council's Strategy and Resources Committee in March each year and published on the Council's website here: https://www.cambridge.gov.uk/equality-and-diversity-performance We encourage members of the public to report any complaints regarding council services, including complaints on equalities issues, through the</p>

Issues raised by the consultees	Cambridge City Council response
	<p>Council's complaints process, which is set out here: https://www.cambridge.gov.uk/compliments-complaints-and-suggestions</p>
<p>Other issues – A range of other comments were made by individual respondees, including:</p> <ol style="list-style-type: none"> 1. How much is the Council spending on the equalities activities outlined in the SES? 2. There is too much equalities jargon in the SES which makes it difficult for members of the public to understand 3. The SES focuses more on some groups (e.g. LGB&T and gender) and less on others (e.g. older people and BAME), and is not representative of the population of Cambridge as a result 4. There is a need to be clearer about what influence the Council can have directly on equalities issues in Cambridge, and issues where the Council can work in partnership with or lobby other organisations in the City. In particular, the wording of Objective 3 needs amending to ensure that it does not raise unrealistic expectations about what the Council can achieve 	<ol style="list-style-type: none"> 1. We have sought to mainstream equalities considerations into everything that the Council does, so many of the activities included in the SES action plan are part of the core business of particular Council services and members of staff, and we have not therefore identified the costs of these individual activities when developing this scheme. However, where additional projects have been identified, it is possible to identify the costs of these actions. For example: £15,000 has been made available for digital skills activities, including the Digital Inclusion Fund, in 2015/16; £25,000 has been made available for the mental health outreach pilot; and £10,000 has been made available for free swimming lessons for children from low income families in 2015/16. 2. A glossary of terms has been added to the SES to address this issue, and the scheme has been reviewed to identify and replace any jargon with more widely understood terms. 3. The SES includes both actions which will affect all equalities groups, and more specific actions to address identified needs for particular equalities groups, including people with disabilities, older people, younger people, women, LGB&T people and BAME residents. However, there is a particular focus on LGB&T issues in the evidence section, because we received the results of the LGB&T needs assessment in 2014. Further needs assessments for women, men on low incomes, people with disabilities, and BAME and faith communities will be completed in the autumn of 2015. We anticipate that these surveys will identify new issues, which will be addressed through the annual reviews of the SES. 4. Objective 3 in the finalised SES has been amended to include 'work towards' and additional text has been added to explain how the Council will work in partnership to achieve its equalities objectives.

Cambridge City Council

Single Equality Scheme

2015 – 2018



“Embracing diversity, committed to equality”

Cambridge City Council Single Equality Scheme 2015 - 2018

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Introduction

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

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

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

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

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

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

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

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

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

The City Council's Single Equalities Scheme covers all the protected characteristics identified in the Equality Act, which are: Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex, and Sexual Orientation. The Scheme is concerned with addressing discrimination in all its forms.

The City Council is also committed to tackling poverty and social exclusion, recognising that greater social and economic equality are the most important pre-conditions for the city's success. Although poverty or low income are not identified as protected characteristics under the Equality Act, we currently assess the impact of all new major policies and projects on residents and service users who have these characteristics.

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

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

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

What do we know about people in Cambridge?

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

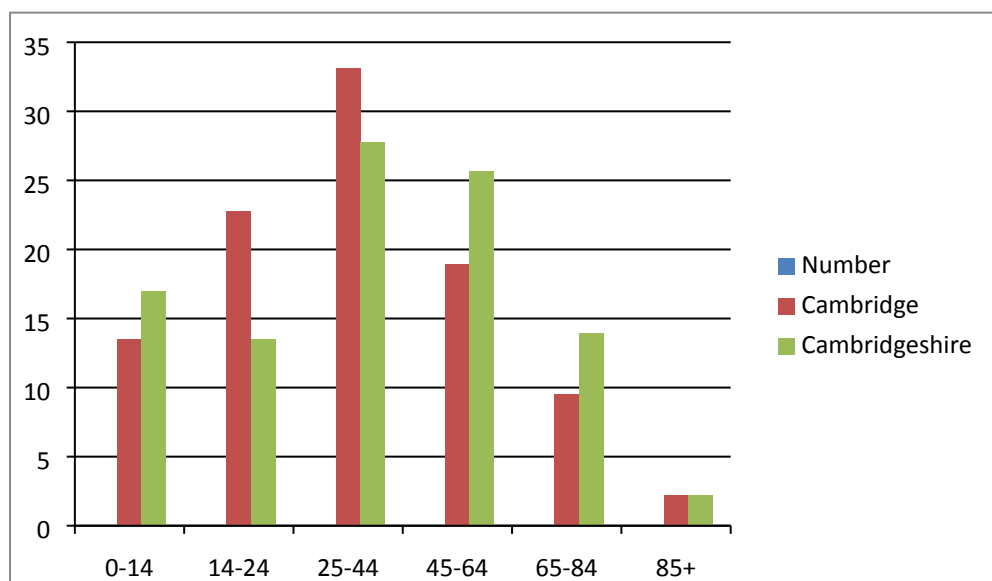
Since the Council's Single Equalities Scheme 2012-2015 was published in March 2012, data from Census 2011 has been released, improving our understanding of the people that live and work in Cambridge. It suggests that Cambridge continues to be a diverse city and a place of population growth.

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

Age

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

Chart 1: Residents by age group (percentage)



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

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

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

Gender

According to the ONS 2013 mid-year population estimates⁷, 51.4% of the Cambridge population is male, and 48.6% of the population is female. This contrasts with Great Britain as a whole, where 48.8% of the population is male and 51.2% of the population is female.

According to the ONS Annual Population Survey 2013-14, employment rates are lower for women (72.9%) in Cambridge than for men (90.4%). However, employment rates are higher for both men and women in

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

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

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

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

⁷ NOMIS, Cambridge Local Authority Labour Market Profile <http://www.nomisweb.co.uk/reports/lmp/la/1946157205/report.aspx?town=cambridge#tabrespop>

⁸ ONS annual survey of hours and earnings – earnings by residence 2014 <http://www.nomisweb.co.uk/reports/lmp/la/1946157205/report.aspx?town=cambridge#tabrespop>

Cambridge than in Great Britain as a whole, where 67.5% of women and 77.3% of men are in employment.

On average, women in Cambridge also earn less than men. The average weekly earnings for women working full-time in Cambridge is £560.5 per week, compared with £582.2 per week for men in the city⁸. However the gap in earnings between men and women in the city is less than in Great Britain as a whole, where on average women in full time employment earn £463.0 per week and men in full time employment earn £561.5 per week.

While no robust data is available on the number of transgender people living in Cambridge, it is estimated that 1,230 residents of Cambridge may be experiencing some degree of gender variance and that between 18 and 31 residents are likely to have undergone medical transition (see page 11 for further information).

During the course of 2015, the City Council will be further developing our equalities evidence base to inform the planning and delivery of Council services and improve monitoring of outcomes from projects and service delivery. As part of this work, we will be working with voluntary and community groups to conduct needs assessments for different equalities groups, including research into the needs of women in the city, and a similar study exploring the needs of men on low incomes.

Ethnicity

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

In the 2011 Census, 82.5% (or 102,205 people) in Cambridge identified themselves as white, compared to 89.5% in the 2001 Census. In 2011 66% (or 81,742 people) of Cambridge's population identified themselves as White British, 1.4% (1,767 people) White Irish and 15% White other.

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

The 2011 Census identified Gypsy/Travellers as an ethnic group for the first time and showed 109 people from this group living in Cambridge. In

Cambridge, much of the traveller population is settled in housing rather than caravans. The Cambridge Area Travellers Needs Assessment estimated that in Cambridgeshire and Peterborough Gypsy/Travellers to be one of the largest minority ethnic groups in the county (at 6,080 people in 2005).

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

During the course of 2015, the City Council will be further developing our equalities evidence base. As part of this work, we will be working with voluntary and community groups to conduct needs assessments for different equalities groups, including research into the needs of BAME and faith communities in the city.

Migration

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

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

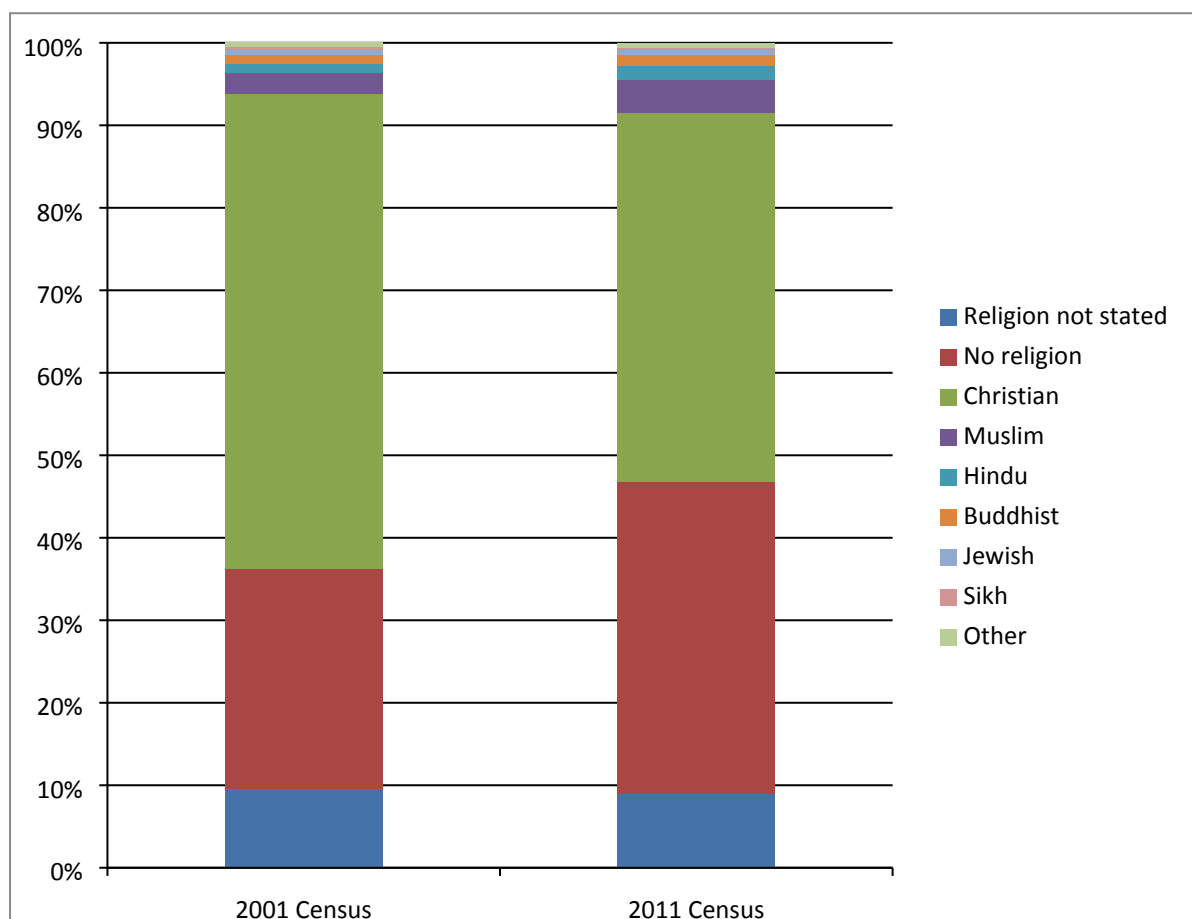
Partly because of the high level of migration to Cambridge, it is increasingly becoming a more diverse place with a number of different communities evenly spread, rather than concentrated, out across the geographical area of the City. The 2011 Census shows us that just under a third of people (33.1% or 46,100 people) resident in the City were born outside of England. In 2001 just under a quarter of people (23.9% or 26,100 people) were born outside England. During the intervening period the number of people born in England, resident in Cambridge, has remained at nearly the same number (82,900 people).

This suggests that the growth of the Cambridge population has been supported by an increase in people from the European Union (the proportion doubling to nearly 8%) and people from outside the European Union (the proportion increasing by nearly a third to just under 18%).

Religion or Belief

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

Chart 2: Religion or belief of residents (percentage)



Cambridge remains among the districts with the highest proportions of people stating that they have no religion in the country. The proportion of

people in the city with no religious association has increased from 26.6% in 2001 to 37.8% in 2011.

During the course of 2015, the City Council will be further developing our equalities evidence base. As part of this work, we will be working with voluntary and community groups to conduct needs assessments for different equalities groups, including research into the needs of BAME and faith communities in the city.

Disability

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

- The OPCS Survey of disability estimated that in 2006 8% of the Cambridgeshire population had a disability.
- The 2011 Census reported that 12.97% of the Cambridge City population declared themselves to have a disability. With 64% of the population being economically active, this equates to 8.3% of the economically active population.
- The 2011 Census reported that 22.2% of households in Cambridge contained at least one person with a long term illness, health problem or disability which limit their daily activities, compared with 13.7% in 2001.

During the course of 2015, the City Council will be further developing our equalities evidence base. As part of this work, we will be working with voluntary and community groups to conduct needs assessments for different equalities groups, including research into the needs of people with a disability in the city.

Sexual Orientation

There are no statistically reliable data on the proportion of Cambridge residents who declare themselves as LGB (lesbian, gay and bi-sexual). However, Stonewall, the national charity working for equality for lesbians, gay men and bisexuals, states that a reasonable estimate for the UK's population of LGB people would be 5-7%. This would equate to approximately 5,360 – 7,504 people out of the 107,200 people who were aged 15 or over in Cambridge at the time of the 2011 Census.

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

Transgender and Gender Reassignment

With regards to the transgender community, in 2011 the Gender Identity Research and Education Society estimated that organisations should assume that 1% of their employees and service users may be experiencing some degree of gender variance⁹. At some stage, about 0.2% may undergo transition. The number who have so far sought medical care is likely to be around 0.025%, and about 0.015% are likely to have undergone transition. Based on 2011 Census population data estimates, this would equate to 1,230 residents of Cambridge that may be experiencing some degree of gender variance and that between 18 and 31 residents are likely to have undergone transition. However, estimating the number of transgender people, and particularly those looking to, or who already actively engaged in, seeking medical transition, is something that is more likely to be underestimated.

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

LGBTQ needs assessment

In 2013 Cambridge City Council and South Cambridgeshire District Council commissioned Encompass Network to design and deliver a needs assessment looking at the experiences of lesbian, gay, bisexual trans and queer/questioning¹⁰ (LGBTQ) residents. The methodology for the needs assessment involved a combination of a survey (which

⁹ <http://www.gires.org.uk/Prevalence2011.pdf>

¹⁰ The final report on the LGBTQ needs assessment defines 'Queer' as an "umbrella term for sexual and gender minorities that are not heterosexual or gender-binary, or individuals who reject such notions". Non-binary is defined as "An umbrella term used to describe gender experiences, expressions and identities that fall outside of the male/female gender binary". The report defines 'Questioning' as "the process of questioning your sexual identity as a current personal definition in itself".

received 130 responses) and focus groups and telephone interviews (which had a total of 38 attendees).

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

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

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

- Overall the experiences of living in Cambridge and City and South Cambs was reported as being a positive one, with 54% of respondents rating it to be positive and 21 % very positive. Terms used to describe the area included: liberal, open minded, accepting, tolerant and multicultural.
- LGB respondents used a wide range of terms to describe their gender-identification. Rather than simply using 'heterosexual', 'homosexual', or 'bisexual' respondents also used a combination of categories to describe their sexual orientation. This reflects the diversity within the LGB community, and that there is no one single LGB identity.
- Those who are traditionally categorised as 'transgender' are using a huge variety of terms to describe their gender identification. The majority of the survey respondents described themselves as having a fluid gender identity, or more than one gender identity. This was closely followed by the high number of respondents who described themselves as having no gender identity.
- 22% of Cambridge City respondents described themselves as having a disability, with 12% of Cambridge City respondents reporting issues with mental health. A lack of positive LGBTQ role models in the media and experiences of homophobia were identified as contributing to mental ill health.

- A relatively high proportion of respondents had experienced homophobia or hate crime (40%), but the vast majority of those who had experienced hate crime said that they had not reported it (89%).
- Many LGBTQ people in Cambridge and South Cambridgeshire experience isolation, with 67 % of respondents wanting more opportunity to socialise, and 63 % saying that they knew few LGBTQ people.
- Both the survey and the focus groups identified the need for more LGBTQ events, and a specific LGBTQ space, as potential solutions to the experience of isolation. There was strong support for an LGBTQ Pride event in the City, but there was also support for incorporating LGBTQ needs in mainstream events such as the Big Weekend.

What have we already done to meet our objectives?

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

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

Over the past three years we have taken a wide range of actions to deliver these objectives. We have produced annual reports in 2012/13 and 2013/14 setting out our progress in delivering these actions¹¹. Some of the key achievements are set out below under the relevant objectives.

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

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

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

¹¹ See the City Council website: <https://www.cambridge.gov.uk/equality-and-diversity-performance>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Black History Month
- Cambridgeshire Celebrates Age
- Disability History Month
- Holocaust Memorial Day
- International Day for Older People

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

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

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

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

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

We continued to carry out EqlAs on new and revised employment policies as a matter of course. For example, we reviewed the Council's recruitment policy, processes and associated paperwork to ensure that appointment is based on merit. This process was informed by an EqlA.

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

We have monitored the profile of the City Council's workforce, recruitment trends, and training attendance by equality group. We have reported this information in depth to the Equalities Panel annually through the Equality in Employment reports, which can be found on the Council's website here: <https://www.cambridge.gov.uk/equality-and-diversity-performance>

We reviewed the Council's targets for BAME and disabled staff representation in light of 2011 Census information and set new targets which take into account the proportion of those that are economically active and the proportion of the working population that are made up of BAME and disabled residents. The Council does not have workforce targets for other equality groups.

Ethnicity of staff

As at 31st March 2015, 7.06% of all staff declared themselves to be BAME (Black, Asian and Minority Ethnic). From 2013/14 onwards our target for BAME staff representation was increased to 9.5%, and we will work to bring BAME staff representation up to this level. In order to raise the workforce profile from 7.06% to the target of 9.5%, a further 24 BAME staff would need to be recruited, based on the headcount at 1 April 2015.

Staff with disabilities

As at 31st March 2015, 5.07% of the Council's workforce declared themselves as disabled. The Disability profile for the Council's workforce has risen by just over 3% over the past 6 years, from 2.0% in 2007/8. From 2014/15 onwards our target for staff declaring a disability was increased from 5.5% to 6.5%.

The Council renewed its commitment to the Job Centre Plus "Positive about Disabled People" scheme, which guarantees an interview to an applicant with a disability if they meet the minimum criteria. Having and displaying the "Two Ticks" symbol remains a Council commitment. The symbol is a recognition, which Jobcentre Plus gives to employers who have agreed to make certain positive commitments regarding the employment, retention, training and career development of disabled people.

Gender of staff

As at 31st March 2015, 47.9% of our staff are female and 52.1% are male. The gender profile of the Council's workforce has remained at around 52% male and 48% female for the past 3 years.

Age of staff

In terms of age, most of the Council's workforce (95%) are aged between the ages of 25 and 64. As at 31st March 2015, the highest percentage of Council staff were in the 45-54 age group (32%). This has been the case since 2010.

Religion or belief of staff

In terms of religion or belief, as at 31st March 2015, 41.75% of the workforce identify themselves as Christian. The percentage of the workforce who identify themselves as Christian has been at around 40% since 2010. Data from the 2011 census shows that Christianity in the population of Cambridge is 44.8%.

As at 31st March 2015, 28.06% of the Council workforce state that they have no religion or belief. This compares to 37.8% of the population in Cambridge according to the 2011 Census.

As at 31st March 2015, 3.69% of staff stated their religion/belief as Other (up from 3.44%). 24.17% of staff preferred not to disclose their religion or belief, which is higher than the census data (9%), but lower than non-disclosure rates in other local authorities.

The next largest religious group in the Council workforce is Muslim (1.07%). This compares to 4.0% of the Cambridge population who are Muslim, according to the 2011 Census.

Sexual orientation of staff

As at 31st March 2015, 64.47% of staff declared themselves as heterosexual. 24 members of staff (2.62%) declare their sexual orientation as gay, lesbian, bisexual or questioning. 32.91% of staff prefer not to declare their sexual orientation, which is lower than the average non-declaration rate for local authorities (56.03%)

Further activity which has helped promote equality of opportunity

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

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

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

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

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

The Council's ChYpPS service delivered lunchtime play sessions at Shirley School in Chesterton (which is attended by many Traveller children from the Fen Road site), and it has worked with the Showman's Guild to deliver open access play sessions during the Midsummer Fair.

ChYpPS has also liaised closely with the Ormiston Trust (which has been commissioned by the CYP Area Partnership to work with Traveller children and families), and Cambridgeshire County Council's Traveller liaison team. We are also continuing to assess the potential for provision of new Traveller pitches through the Local Plan process, working in partnership with South Cambridgeshire District Council.

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

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

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

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

Our Equalities Objectives for 2015 – 2018

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

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

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

The Strategic Action Plan below sets out the key actions that we will take to progress these objectives. These actions focus primarily on the nine protected characteristics identified in the Equality Act 2010 (Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex, and Sexual Orientation).

The Strategic Action Plan does not attempt to capture everything the City Council does to advance equalities and diversity, but it sets out the organisation's priority areas for action in the next three years. These

actions were developed through an understanding of the City Council's achievements to date, an analysis of data available from relevant research and consultation exercises, and an assessment of where the authority needs to focus further effort.

The City Council can have a direct impact on equality and diversity through the way that it provides services, the way that it procures services from businesses, and the way that it recruits and supports its workforce. It can also carry out specific projects or initiatives that will help reduce discrimination, and promote community cohesion and inclusion.

The City Council recognises, however, that it cannot on its own ensure that Cambridge is a city which celebrates its diversity and actively tackles discrimination. There are a range of policy areas, such as transport, where the City Council has more limited influence because it is not primarily responsible for providing services in this area. The City Council provides the Taxicard scheme, which provides people with disabilities, including older people, with discounts on taxi fares, but it has no direct influence over bus provision and routes, which some consultees highlighted as contributing to social isolation for older people in some areas of Cambridge.

The Council recognises that more can be achieved on equalities issues through working in partnership with other local organisations from the public, voluntary and private sectors. It currently engages actively in a range of partnerships and joint-working arrangements which have an impact on equality. For example, the City Council works closely with Cambridgeshire Police and other partners in the Community Safety Partnership on community safety issues, including tackling hate crime.

In addition to the objectives set out above, the Council is also committed to tackling poverty and social exclusion, and has developed a dedicated Anti-Poverty Strategy. The Strategy includes an action plan which sets out the key steps that the Council is taking to improve the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also to alleviate issues that can lead households on low incomes to experience financial pressures. To avoid duplication, the Single Equality Scheme focuses primarily on the nine protected characteristics in the Equality Act 2010, but it references the key actions included in the Anti-Poverty Strategy where relevant.

Single Equality Scheme 2015 – 2018 Action Plan

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
<p>1. To further increase our understanding of the needs of Cambridge's growing and increasingly diverse communities so that we can target our services effectively</p>	<p>1.1 Develop an equalities evidence base to inform the planning and delivery of Council services and improve monitoring of outcomes from projects and service delivery</p>	<p>Use evidence gathered as part of the recent Grants Review to provide a fuller profile for who is in most need in Cambridge</p>	<p>Community, Arts and Recreation</p>
		<p>Using the approach adopted by the LGBTQ needs assessment, work with voluntary and community groups to conduct similar needs assessments for women, men on low incomes, people with disabilities, and BAME/faith communities</p>	<p>Community, Arts and Recreation, Corporate Strategy</p>
		<p>Improve information available on the housing needs of people with disabilities, through the Cambridge sub-regional Strategic Housing Market Assessment</p>	<p>Strategic Housing</p>
	<p>1.2 Use information gained through City Council consultation exercises to identify the needs of different groups and communities and inform decision making on services</p>	<p>Explore opportunities to adopt a more participatory approach to the City Council's annual budget consultation, including securing a representative sample of the Cambridge population</p>	<p>Corporate Strategy</p>

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		Analyse the results of the 2014 STAR City Council tenant satisfaction survey to identify groups with lower levels of satisfaction with services and target improvements for them	City Homes
2. To continue to work to improve access to and take-up of Council services from all residents and communities	2.1 Ensure that we assess the equality impacts of all decisions on policies and projects which have an impact on residents, visitors and customers in Cambridge	Deliver a series of training sessions on carrying out effective Equality Impact Assessments (EqIAs) and promote them to all services as part of the City Council's corporate Learning and Development programme	Human Resources, Corporate Strategy
	2.2 Ensure that Councillors and staff understand equality and diversity principles and are able to apply these to their work	Organise an annual briefing session for Councillors on equalities issues as part of the corporate programme of member briefings	Corporate Strategy
		Ensure that all new starters understand the importance of equality and diversity, and that staff are able to further their understanding as part of their ongoing development, e.g. through the disability awareness course in the corporate learning and development programme	Human Resources

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
	2.3 Ensure that language does not act as a barrier for residents to accessing services or understanding their responsibilities	Procure a new corporate interpreting and translation contract in collaboration with neighbouring councils and monitor the contract effectively to ensure that interpreters meet the needs of customers and Council services	Corporate Strategy
	2.4 Support residents to access digital services provided by the City Council and other organisations and businesses by enabling residents to access the internet and develop their digital skills	Work with partners to increase internet access points in community buildings, such as leisure centres and community centres	Customer Services
		Ensure that adequate training and support is provided to users of digital services by trained staff or 'Digital Champions'	Customer Services
		Continue to support City Council tenants who are unemployed or in receipt of benefits to access the internet through the Get On-Line programme, which provides digital skills training and a laptop loan scheme	City Homes
3. To work towards a situation all residents have equal access to public activities and spaces in Cambridge and are able to participate fully in the community	3.1 Tackle barriers to accessing the city centre and playing an active part in the community for people with disabilities	Conduct a review of accessibility of Cambridge City Centre for people with disabilities, older people and others with mobility issues, including advertising boards and street cafes blocking pavements, poor and uneven pavements, location of street furniture and waste bins, location and availability of disabled parking bays, and particular issues facing deaf	Planning

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

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		Work with Citizen's Advice Bureau to develop a pilot project at East Barnwell Medical Practice to provide advice sessions, including a focus on mental health issues due to low income, debt or addiction.	Corporate Strategy
		Continue to provide move on accommodation for adults recovering from mental ill health, in conjunction with Cambridgeshire County Council and Metropolitan Housing Group	City Homes
		Work with partner organisations to provide a range of awareness raising activities on mental health issues for City Council staff and local communities.as part of World Mental Health Day in October 2015.	All services (Co-ordinated by Corporate Strategy)
	3.2 Provide activities to promote physical activity and help reduce the social isolation experienced by some older people in the city	Continue to run and support groups for older people in Trumpington, Abbey, Arbury, Akeman Street Community Centre, and Ross Street Community Centre	Community, Arts and Recreation
		Work with partners and voluntary groups to develop and deliver the annual "Cambridgeshire Celebrates Age" festival, which provides a range of inclusive and accessible events	Community, Arts and Recreation

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		<p><u>Continue to provide support for older people aged 65+, working with health and social care services at Cambridgeshire County Council and local housing associations to connect them with services to help them remain independent and socially active</u></p>	City Homes
		<p>Continue to provide targeted sports development work to complement NHS services in the community, including work to reduce falls amongst older people <u>and weekly Forever Active exercise classes for people with mobility problems</u></p>	Community, Arts and Recreation
		<p>Actively promote volunteering and befriending schemes delivered by voluntary and community organisations such as AgeUK and CamSight through:</p> <ul style="list-style-type: none"> • Cambridge Matters, Open Door and other City Council publications; • The support scheme for older people aged 65+; • the time credits scheme and the Volunteer For Cambridge Fair; and • partners such as Cambridge Volunteer Centre and the Community Navigators. 	<p>Corporate Strategy</p> <p>City Homes</p> <p>Community, Arts and Recreation,</p>

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
	3.3 Provide positive activities for children and young people	Continue to provide open access activities for children and young people <u>in local neighbourhoods across Cambridge</u> , including a programme of summer activities	Community, Arts and Recreation
		Provide free swimming lessons at Council-owned pools for younger children (pre-school and key stage 1 children) from low income families and children who cannot swim at the key stage 2 assessment point.	Community, Arts and Recreation
	3.4 Work with voluntary and community groups to deliver activities which promote equal opportunities for residents	Continue to provide Community Grants to projects which reduce social and/or economic inequality for city residents, by reducing barriers for residents with the highest needs. These barriers may be caused by low income or through inequalities caused by disability, gender, ethnicity or other protected characteristics	Community, Arts and Recreation
4. To tackle discrimination, harassment and victimisation and ensure that people from different backgrounds living in the city continue to get on well together.	4.1 Work with partners to support and organise a range of events to raise awareness of and to celebrate the different communities that live in Cambridge.	Continue to support and deliver a wide range of celebratory activities, including programmes of events to mark Black History Month, Cambridgeshire Celebrates Age, Disability History Month, Holocaust Memorial Day, International Women's Day, Lesbian Gay Bisexual and Transgender (LGBT) History Month, and Refugee Week	Community, Arts and Recreation

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		Continue to fund and support local events and festivals which increase community pride and cohesion, such as the Big Weekend, Cambridge Mela, Chesterton Festival, Arbury Carnival and Cherry Hinton Festival	Community, Arts and Recreation
	4.2 Working with partners to celebrate LGB&T communities in Cambridge and tackle discrimination and harassment they experience	Including Pink activities in the Big Weekend to raise awareness of LGB&T issues and supporting local voluntary groups to organise a Pink festival in May 2016	Community, Arts and Recreation
		Supporting the development of the 'Safer Spaces ' project by the Encompass Network, which will ask local businesses and organisations to display a symbol and sign a pledge to be a welcoming place for LGB&T customers	Community, Arts and Recreation
		Working with Encompass and the Ethnic Community Forum to arrange events to bring together BAME and LGB&T communities as part of Black History Month and LGBT History Month	Community, Arts and Recreation
	4.3 Working with partners and communities to reduce racial harassment and hate crimes targeted at all equality groups	Work with Cambridgeshire County Council's Crime Research Team to use available data on hate crime to improve our understanding of the local issues.	Strategic Housing

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
		Provide regular outreach surgeries at Cambridge Mosque and the Addenbrookes Hub on services to address racial harassment and anti-social behaviour	Strategic Housing
	4.4 Take action to prevent radicalisation and the development of violent extremism	Deliver a 'Prevent' event which will bring community representatives together to look at the issue of radicalisation	Strategic Housing
	4.5 Work with local communities in Cambridge to reduce domestic violence and abuse	Work to achieve White Ribbon status for the City Council and reduce domestic violence and abuse towards women and men	Strategic Housing
5. To ensure that the City Council's employment and procurement policies and practices are non-discriminatory and to work towards a more representative workforce within the City Council.	5.1 Analyse available data to understand how representative the City Council workforce is and identify any issues that need to be addressed	Continue to monitor the profile of the workforce, recruitment, and training attendance by equality group and report annually to the Equalities Panel	Human Resources
		Analyse the results of the 2014 Employee Survey and if appropriate identify any actions to be taken in response to issues identified for particular equality groups	Human Resources
		Analyse the results of the recruitment survey into BAME community groups in Cambridge and identify any steps that need to be taken in to address issues identified in the research	Human Resources

Our objective is	To achieve this over the next three years we will	In the first year of the plan (2015/16) we will	The service(s) that will lead on this is
	5.2 Work towards a more representative workforce within the City Council	Deliver an apprenticeship programme, which will increase the number of apprenticeship opportunities in City Council services	Human Resources
	5.3 Ensure that equalities considerations, where relevant, are addressed as part of the procurement of services and works and that they are monitored as part of contract management processes	Review the Council's Procurement Guide for officers on 'Equalities, Social Value and the Living Wage' and update it to reflect any relevant changes in equalities or procurement legislation and guidance	Procurement
		As part of a wider audit of the Council's contract management processes, audit a sample of contracts to determine whether equalities considerations are being monitored effectively by contract managers	Internal Audit

Glossary of terms

Term	Definition
BAME	Black, Asian and minority ethnic
Bisexual	The Encompass Network defines bisexual as “romantic and sexual attraction toward both men and women”.
Discrimination	The unjust or prejudicial treatment of different categories of people
Equality Impact Assessment (EqIA)	An assessment of whether the Council’s strategies, policies, projects, contracts, major changes in services, and decisions affect different groups of people in different ways , and whether there are any steps that can be taken to reduce any adverse impacts
Ethnicity	Belonging to a social group that has a common national or cultural tradition
Gay	The Encompass Network defines gay as “sexual and romantic attraction to a person of the same gender as the individual”.
Gender reassignment	The Equality Act 2010 defines gender reassignment as someone who “is proposing to undergo, is undergoing or has undergone a process (or part of a process) for the purpose of reassigning the person's sex by changing physiological or other attributes of sex.”
Harassment	Aggressive pressure or intimidation
Lesbian	The Encompass Network defines lesbian as “a woman who is primarily or solely attracted (romantically and/or sexually) to other women”
LGB	Lesbian, gay and bi-sexual
LGB&T	Lesbian, gay, bisexual and transgender
LGBTQ	Lesbian, gay, bisexual, transgender, and queer or questioning.
Prejudice	Preconceived opinion about someone that is not based on reason or actual experience

Term	Definition
Protected characteristics	These are the grounds upon which discrimination is unlawful under the Equality Act 2010. The characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
Race	The Equality and Human Rights Commission defines race as “a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins”
Queer	The Encompass Network defines ‘Queer’ as an “umbrella term for sexual and gender minorities that are not heterosexual or gender-binary, or individuals who reject such notions”. Non-binary is defined as “An umbrella term used to describe gender experiences, expressions and identities that fall outside of the male/female gender binary”.
Questioning	The Encompass Network defines ‘Questioning’ as “the process of questioning your sexual identity as a current personal definition in itself”.
Religion or Belief	The Equality Act 2010 states that religion means “any religion and a reference to religion includes a reference to a lack of religion”. The Act states that belief means “any religious or philosophical belief and a reference to belief includes a reference to a lack of belief”
Sexual Orientation	The Equality and Human Rights Commission defines sexual orientation as “a person's sexual attraction is towards their own sex, the opposite sex or to both sexes”
Transgender	The Encompass Network defines transgender as “a person whose gender identity differs from the social expectations for the physical sex they were born with”.
Victimisation	Singling someone out for cruel or unjust treatment



To: Executive Councillor for Finance and Resources
Report by: s Kevin Jay, Local Taxation Manager
Relevant scrutiny committee: Strategy and Resources - 13 July 2015
Wards affected: All Wards

ADOPTING A DISCRETIONARY TRANSITIONAL RELIEF POLICY FOR NON DOMESTIC RATES

1. Executive summary

1.1 The purpose of this report is to recommend the adoption of a policy to award “Transitional Relief” in accordance with the Discretionary Rate Relief powers as contained within Section 47 of the Local Government Finance Act 1988 (as amended) for the 2015-16 and 2016-17 billing years. The policy is attached at Appendix A.

2. Recommendations

The Executive Councillor is recommended to:

- Adopt the Transitional Relief policy (Appendix A) for qualifying businesses in occupation of premises which have a rateable value of £50,000 or less, for the financial years 1 April 2015 to 31 March 2016 and 1 April 2016 to 31 March 2017 only
- Delegate authority to the Head of Revenues and Benefits to award the “Discretionary Transitional Relief” where a ratepayer demonstrates their entitlement.

3. Background

3.1 Up to 2010 revaluation of business properties was carried out every 5 years. A transitional relief scheme was in operation during each 5 year rating period to help those ratepayers who would otherwise be faced with higher rate bills in the new rating period compared to the previous one. In effect ‘transition’ softened the impact of large increases that were then phased in over the life of the 5 year rating list.

- 3.2 Government announced in late 2012 that the revaluation due to have effect on 1st April 2015 would be postponed to 1st April 2017. As a result of this a small number of ratepayers would face a jump in their rates payable in 2015/16 and 2016/17 as the transition scheme ended on 31st March 2015.
- 3.3 The Government announced in the autumn statement 2014 that it will extend to March 2017 the original transitional relief scheme for small to medium sized properties with a rateable value up to and including £50,000.
- 3.4 As this measure is temporary, government is not changing legislation around transitional relief. Instead the government will reimburse councils that use their discretionary powers, under s47 of the LGFA 1988 (as amended), to grant relief. It is left for individual authorities to adopt a local scheme and decide in each individual case when to grant relief under s47. In view of the fact that this expenditure is fully reimbursed, through the rates retention system, government expects local authorities to grant discretionary relief to qualifying ratepayers.
- 3.5 The Transitional Relief awarded by the Council will be fully reimbursed by the Government if made in accordance with the Government Guidance. The Policy proposed in Appendix A reflects fully the Government's guidance.
- 3.6 This relief must be awarded by the Council in accordance with the Discretionary Rate relief powers as contained within s47 of the Local Government Finance Act 1988 (as amended).
- 3.7 State Aid (De Minimis Regulations) will apply when granting this and any other relief and ratepayers may be required to complete a declaration to confirm that they would not exceed state aid limits (currently 200,000 euros) through the granting of this relief.
- 3.8 Some preliminary work has been carried out to identify approximately 34 ratepayers that would benefit from this relief with a total value of around £37,800 in 2015/16, with lower amounts payable in 2016/17.
- 3.9 The Government recognises that some ratepayers would face large increases in rate payable between 2014/15 and 2015/16 and wishes to support the small to medium sized businesses by extending the transitional relief scheme for 2 years.
- 3.10 The relief to be awarded for the 2015/16 and 2016/17 financial years only and is fully reimbursed by central government.

4. Implications

Financial Implications

- 4.1 In awarding discretionary transitional relief in accordance with the Guidance the Council will be fully reimbursed through the NNDR claim process. This will be done by a grant under section 31 of the Local Government Act 2003.
- 4.2 The relief must be applied after entitlement to any other relief has been applied (eg Small Business Rate Relief, Retail Relief).
- 4.3 The total value of Transitional Relief awarded in Cambridge would be approximately £37,800 in 2015/16 with a significantly lower amount in 2016/17.

Equal Opportunities Implications

- 4.4 This Policy reflects the Governments intentions to extend the transition scheme to assist small / medium sized traders for the 2015/16 and 2016/17.

Environmental Implications

- 4.5 There are no environmental implications from this proposal.

Procurement

- 4.6 There are no procurement implications from this proposal.

Consultation and communication

- 4.7 No consultation required.

Community Safety

- 4.8 There are no additional implications from this proposal.

5. Background papers

None

6. Appendices

7. Inspection of papers

If you have queries on the report please contact:

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NATIONAL NON-DOMESTIC RATE RELIEF:

CRITERIA FOR THE GRANTING OF DISCRETIONARY TRANSITIONAL RELIEF BY CAMBRIDGE CITY COUNCIL

Under section 47 of the Local Government Finance Act 1988 the Cambridge City Council will use its powers to grant rate relief to properties in the following circumstances.

- **The property has a rateable value of £50,000 or less;**
- **The relief is in respect of the 2015/16 and 2016/17 financial years only.**

Extension of Transitional Relief

How will the relief be provided?

As this is a measure for 2015-16 and 2016-17, the government is not changing the legislation around transitional relief. Instead the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, as amended, to grant relief.

Cambridge City Council has adopted a local scheme and will decide in each individual case when to grant relief under section 47. Central government will fully reimburse local authorities within the rates retention scheme for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

Which properties will benefit from relief?

Properties that will benefit are those with a rateable value up to and including £50,000 who would have received transitional relief in 2015/16 or 2016/17 had the existing transitional relief scheme continued in its current format. In line with the existing thresholds in the transitional relief scheme, the £50,000 rateable value threshold should be based on the rateable value shown for 1/4/10 or the substituted day in the cases of splits and mergers.

This policy applies to transitional relief only (i.e. those moving to higher bills).

As the grant of the relief is discretionary, authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the authority's wider objectives for the local area.

How much relief will be available?

The government will fund Localism Act discounts to ensure eligible properties receive the same level of protection they would have received had the transitional relief scheme extended into 2015/16 and 2016/17. The transitional relief scheme should be assumed to remain as it is in the current statutory scheme except that:

- a. the cap on increases for small properties (with a rateable value of less than £18,000/£25,500 in London) in both 2015/16 & 2016/17 should be assumed to be 15% (before the increase for the change in the multiplier), and
- b. the cap on increases for other properties (up to and including £50,000 rateable value) in both 2015/16 and 2016/17 should be assumed to be 25% (before the increase for the change in the multiplier).

As explained above, the scheme applies only to properties up to and including £50,000 rateable value based on the value shown for 1/4/10 or the substituted day in the cases of splits and mergers. Changes in rateable value which take effect from a later date will be calculated using the normal rules in the transitional relief scheme. For the avoidance of doubt, properties whose rateable value is £50,000 or less on 1 April 2010 (or the day of merger) but increase above £50,000 from a later date will still be eligible for the relief. Where necessary the Valuation Office Agency will continue to issue certificates for the value at 31 March 2010 or 1 April 2010. The relief should be calculated on a daily basis.

Recalculations of relief

As with the current transitional relief scheme, the amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value. This change of circumstances could arise during the year in question or during a later year.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. However the council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

Therefore, when making an award for the extension of transitional relief, ratepayers will be advised that the relief can be recalculated in the event of a change to the rating list for the property concerned (retrospective or otherwise).

This is so that the relief can be re-calculated, as it would have been under the original scheme, if the rateable value changes.

State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the extension of transitional relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis it is necessary for the council to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).

Generally, the council will seek a declaration from the recipient of discretionary transitional relief that the receipt of such relief would not exceed the De Minimis threshold when combined with any other forms of state aid.

Calculation for the extension of transitional relief

Calculating the extension of transitional relief where other reliefs apply

Under the existing statutory transition scheme which ended on 31 March 2015, transitional relief is measured before all other reliefs. But the extension of transitional relief into 2015/16 and 2016/17 will be delivered via section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) which is measured after other reliefs (including other Localism Act delivered reliefs such as retail relief).

Therefore, for the purposes of awarding relief and claiming section 31 grant, the council should measure the extension of transitional relief after all other reliefs.

To do this the council will need to:

Step 1: identify those eligible properties which would have qualified for transitional relief in 2015/16,

Step 2: calculate the actual rates bill for those properties in 2015/16 after all other reliefs assuming transitional relief has ended,

Step 3: calculate the rates bill for those properties in 2015/16 after all other reliefs assuming transitional relief continued (in line with the assumptions in this guidance), and

Step 4: calculate the difference between stage 2 and 3 and award a Localism Act discount to that value.

Authorities will be asked to report the cost of extending the transitional relief scheme using this methodology from which the associated section 31 grant will be calculated (using the appropriate local share).



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

Report by: David Kidston and Clare Palferman

Relevant scrutiny committee: Strategy & Resources
13/7/2015
Scrutiny Committee

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

ANNUAL CLIMATE CHANGE STRATEGY, CARBON MANAGEMENT PLAN AND CLIMATE CHANGE FUND UPDATE REPORT

Key Decision

1. Executive summary

- 1.1 This report provides an update on progress during 2014/15 on actions to deliver the three strategic objectives of the City Council's current Climate Change Strategy, which covers a five year period from 2012/13 to 2015/2016. As part of this, the report includes an update on progress in implementing the Council's Carbon Management Plan. The Plan sits under the Strategy and plays a key role in achieving its first strategic objective, which is to reduce carbon emissions from the City Council's estate and operations.
- 1.2 The report also provides an update on the current position of the Climate Change Fund, which provides support to projects that help to reduce the Council's own carbon emissions and/or manage climate change risks to Council staff and property.

2. Recommendations

The Executive Councillor is recommended to:

1. Note the progress achieved during 2014/15 in implementing the Climate Change Strategy and the Carbon Management Plan.
2. Note the Climate Change Fund Status Report

3. Background

- 3.1 The Climate Change Strategy sets the framework for the City Council's action to address the causes and consequences of climate change between 2012/13 and 2015/16. It has three strategic objectives, which are:
 1. To reduce carbon emissions from the Council's estate and operations and manage the risks to its staff and property;
 2. To set high standards and assist residents, businesses and organisations to reduce their carbon emissions and manage climate risks;
 3. To work in partnership with other organisations to address the causes and effects of climate change.
- 3.2 As part of the performance management arrangements for the Climate Change Strategy, it was agreed that officers would provide an annual update on progress in delivering the Climate Change Strategy Action Plan to the Executive Councillor for Finances and Resources at Strategy and Resources Scrutiny Committee. This report provides details of progress on some of the key actions during the third year of the Strategy. A full list of progress towards all the 44 actions in the Action Plan is available on request.
- 3.3 Officers are currently developing a new Climate Change Strategy for the period 2016/17 to 2020/21. Community groups with an interest in climate change issues will be consulted as part of the development of the draft Strategy. The draft Strategy will be presented to Strategy and Resources Committee in October 2015 for approval for full public consultation later in the autumn.

4. Progress in delivering the key actions under Objective 1

- 4.1 Objective 1 will be delivered primarily through the Council's Carbon Management Plan for 2011-2016, which was approved at Environment Scrutiny Committee by the Executive Councillor for Planning and Climate Change on 26 June 2012. The Carbon Management Plan sets out 62 carbon reduction projects targeted at the areas of the Council's activity which contribute most to our

carbon emissions (e.g. swimming pools, car parks, vehicle fleet, offices and sheltered and temporary housing).

4.2 A total of 35 carbon reduction projects have been delivered to date: 9 in 2011/12; 12 in 2012/13; 7 in 2013/14 and 7 in 2014/15. A full list of all the projects implemented is provided in Appendix A.

4.3 The 7 Carbon Management Plan projects delivered in 2014/15:

- Solar photovoltaics (PV) panels were installed at Cherry Hinton Village Centre to capture the sun's energy using photovoltaic cells, which convert the sunlight into electricity, which is used to run electrical appliances and lighting.
- The pool water at Kings Hedges Learner Pool was heated by electricity which is expensive, so heat pumps were installed to heat the pool instead. Even though the heat pumps need a small amount of electricity to operate, using the heat pumps to heat the pool water is far more efficient than just using electricity.
- The heating controls in the foyer at the Corn Exchange were upgraded to ensure the heating is only on when and where it needs to be.
- The Combined Heat and Power (CHP) unit at Parkside Pools had not been used for a number of years and has now been refurbished and is operational. CHP captures and utilises the heat that is a by-product of the electricity generation process. By generating heat and power simultaneously, CHP can reduce carbon emissions compared to the separate means of conventional generation via a boiler and power station.
- Voltage optimisation technology was installed at Abbey Pools to reduce the voltages received by appliances and lights running on electricity, in order to reduce energy use and power demand.
- Many of the lights at Abbey Pools have been replaced with more efficient LEDs alternatives to reduce electricity use.
- Awareness raising campaigns have been delivered across the swimming pools to make staff and customers aware of environmental issues and promote a cultural of environmental responsibility with the aim of reducing energy and water use further.

4.4 The total cost of the 7 projects implemented in 2014/15 was £108,037. The total cost of all 35 carbon reduction projects delivered to date (i.e. between 2011/12 and 2014/15) is

£1,448,397. It should be noted that, in accordance with the terms of the contract for leisure services, the costs of the 6 projects implemented at Council-owned pools in 2014/15 were met by the Council's current leisure contractor, Greenwich Leisure Limited (GLL).

- 4.5 It is estimated that the 7 projects delivered during 2014/15 have achieved on-going carbon savings of 327 tonnes of carbon dioxide equivalent (tCO₂e) and reduced the energy bills at the pools and the Corn Exchange by £59,505 per year. It is estimated that the 35 projects delivered to date have achieved on-going carbon savings of around 1,150 tCO₂e per year and reduced energy expenditure by around £203,000 per year.
- 4.6 Where tangible financial savings have been made, it was agreed that we would directly recoup savings from service budgets for projects where the implementation cost was more than £15,000 AND where annual savings were more than £1,000 per annum. In other words, we would plan to directly recoup £181,000 from the total estimated savings of £203,000. To date we have already recouped tangible savings of £170,705 per annum and an additional £10,000 will potentially be recouped as part of the budget in October 2015 if tangible savings have been made.
- 4.7 In regards to the savings made at the leisure centres during 2014/15, GLL's tender was based on them making the investments in these 6 carbon projects to drive down utility costs, which was then reflected in the Council's lower annual management fee. In effect, therefore, the Council has secured a financial saving in advance through the contract negotiations. GLL are not obligated to reduce their bills by a set financial amount per year, but it is one of their stated aims to reduce their energy consumption annually. They are however held to a capped financial and utility usage limit, that should they exceed, they are totally responsible for. Should the projects implemented by GLL exceed their expectations and savings are higher than estimated in their tender, the Council can seek to reduce the annual management fee further.
- 4.8 We have sought to quantify the ongoing financial savings and carbon savings resulting from carbon reduction projects as accurately as possible. It should be noted, however, that the actual amount of energy and fuel used at Council sites, and therefore the financial and carbon savings that are realised, may increase or

decrease from year to year as a result of other factors. These could include changes in usage of buildings, changes to service levels, unseasonal variations in weather or increases in energy costs beyond those already budgeted for. For this reason, the estimated financial savings provided at 4.5-4.7 should be viewed as 'project cost avoidance'. However, where tangible savings have been made, these have been recouped and are reported in this report.

2015/16 projects

4.9 To date we have delivered 35 of the 62 projects set out in the Carbon Management Plan, which leaves 27 projects still to be delivered. A total of 10 of these projects are now planned to be delivered during the final year of the current Carbon Management Plan in 2015/16 (see Appendix B for details). It is estimated that these projects will cost a total of £383,000 and deliver ongoing annual savings of £67,000 per year. It is estimated that they will reduce our carbon emissions by a further 310 tCO₂e per year. These are:

- Installing solar PV panels at the crematorium.
- Installing LED lighting at Grand Arcade Main Car Park.
- Installing lighting sensors at Whitefriars sheltered housing scheme.
- Upgrading the boilers at the community centres to condensing boilers.
- Replacing the boiler at Abbey Pools.
- Replacing the boiler at Cherry Hinton Village Centre.
- Replacing 12 fleet vehicles with alternative with stop-start technology.
- Introducing a drive incentive scheme to encourage more efficient driving of fleet vehicles.
- Staff awareness raising campaign at our administrative buildings.
- Staff awareness raising campaign at the community centres.

4.10 14 of the remaining 27 projects have been placed on hold pending decisions to be taken as part of the outcomes of the Office Accommodation Strategy, which will be presented to Strategy and Resources Committee in October 2015. This includes 3 projects at the Guildhall, 5 projects at Mandela House, and 6 projects at North Area Housing Office. Depending on the decisions taken regarding the future of these buildings as part of the Office Accommodation

Strategy, some of these projects will be postponed and delivered in subsequent years as part of wider refurbishments, while others may not be taken forward if the decision is taken to dispose of particular buildings. We will review the timescales for delivery of these projects once decisions have been taken on the Office Accommodation Strategy in October.

- 4.11 3 of the remaining 27 projects are at Ditchburn Place sheltered housing scheme. These projects were due to take place as part of the wider refurbishment of Ditchburn Place, which was originally due to take place during 2013/14, but has been postponed. It is currently anticipated that refurbishment work will start in April 2016. See Appendix C for a full list of postponed projects.
- 4.12 The 10 projects identified at 4.11 above for delivery in 2015/16 will be funded through a combination of the Climate Change Fund, the Repairs and Renewals Fund, the Housing Revenue Account and GLL. These projects will require a contribution of £161,000 from the Climate Change Fund, which will leave £186,000 remaining in the Climate Change Fund at the end of 2015/16. However, Council officers are also exploring the viability and business case for installing solar PV or solar thermal technology at further sites during 2015/16 using funding from the Climate Change Fund.

Carbon Management Plan 2016/17- 2020/21

- 4.13 Officers are currently developing a new Carbon Management Plan, which will provide the blueprint for reducing our emissions further between 2016/17 and 2020/21. The Plan will identify projects across our operational estate, administrative buildings and commercial property portfolio.
- 4.14 In recent years we have generally been picking the “low hanging fruit” – the smaller scale, easier to implement retrofit project. To reduce our energy bills and carbon emissions further, we will need to improve the fabric and insulation of our buildings, which is more difficult to do and requires specialist knowledge. We are currently exploring the potential to appoint Bouygues Energies and Services, via the County Council’s procured Energy Performance Contracting Framework, to carry out detailed energy surveys of some of our larger operational buildings to identify measures to make them even more energy efficient. The surveys conducted by Bouygues,

as well as surveys conducted by Council officers, will generate new project ideas for inclusion in the new Carbon Management Plan

Improvements to energy monitoring and baseline measurement

- 4.15 As previously reported to Environment Scrutiny Committee, the Council discovered in 2012 that it could not be completely confident in the accuracy of its total annual energy usage figures, and therefore its total carbon emissions figures. This was because we were previously reliant on the data provided by our energy suppliers, which was based on a combination of irregular meter readings and *estimated* energy usage data.
- 4.16 During 2012/13, we took steps to ensure that in future we have accurate data for all City Council sites included in the baseline for the Carbon Management Plan. The Council has invested in the installation of Automatic Meter Readers (AMRs), which automatically and remotely read meters, at all major sites that did not previously have them. As an additional measure, we have ensured that officers now also take visual meter readings at all sites twice a year.
- 4.17 As a result of these measures, we now have reliable energy usage data for 2013/14 and 2014/15, and are able to reliably identify our total carbon emissions for these years. We are required to submit these figures annually to the Government in our annual Greenhouse Gas report. The report for 2013/14 is available on the Council's website here: <https://www.cambridge.gov.uk/climate-change>. We will be publishing our 2014/15 Greenhouse Gas report shortly, once it has been audited by the Council's internal audit services and our approach has been independently verified by the University of Cambridge.

Climate Change Fund status

- 4.18 The City Council's Climate Change Fund was established in 2008 to help deliver schemes or activities that would contribute to the achievement of its corporate climate change objectives, through both carbon reduction and climate change risk management. Since 2009, an annual status report on the Climate Change Fund has been presented to either Environment Scrutiny Committee or Strategy and Resources Scrutiny Committee depending on the Executive Councillor and Portfolio at that time.

- 4.19 To date, a total of £813,820 has been invested in the Climate Change Fund. The Fund criteria were revised in June 2012 to focus more explicitly on invest-to-save projects that would mitigate the Council's rising fuel bills, which ran to approximately £1,800,000 in 2013/14.
- 4.20 A full break down of all expenditure from the Fund is provided in Appendix D. This shows that, to date, a total of 28 projects have been supported by the Fund, representing a total investment of £466,720. Since 2011/12, the Fund has primarily been used to support the delivery of projects in the Carbon Management Plan. 11 of the 13 projects funded since 2011/12 were included in the Plan. These projects account for a total of £332,641 expenditure from the Fund. Two additional projects (the Tree Canopy study and the LED audit of multi-story car parks) have been supported since 2011/12 at a total cost of £21,500 because they met the wider criteria of the Fund.
- 4.21 The current remaining balance of the Fund is £347,100. No additional provision was made in the Council's 2013/14 and 2014/15 budgets because this existing balance is sufficient to meet the projected future expenditure associated with the Carbon Management Plan. The projects currently identified for delivery during 2015/16 will require a contribution of £161,000 from the Climate Change Fund, which will leave £186,000 remaining in the Climate Change Fund at the end of 2015/16, as mentioned in paragraph 4.12 above.
- 4.22 Council may wish to consider making further provision for projects in the next Carbon Management Plan as part of the next budget round in October 2015.

5. Progress in delivering the key actions under Objective 2

- 5.1 Objective 2 of the Climate Change Strategy is being achieved by putting climate change at the heart of services such as Planning, Refuse and Environment, and Estates and Facilities.

Planning policy and new development

- 5.2 Work is ongoing to develop a new Cambridge Local Plan, which will set out the planning framework to guide the future development of Cambridge to 2031. The proposed Local Plan was submitted to the Secretary of State on 28 March 2014, and a series of examination hearings have taken place between November 2014 and May 2015. The Councils received a letter from the Inspector in May asking for further work to be undertaken, which is now being progressed by officers. It is anticipated that the Local Plan will be approved later in 2016.
- 5.3 The draft Local Plan includes a range of policies to minimise the impact of future development in the City on climate change. These include:
- Action 15 a) Requiring high standards of sustainable building design, construction and operation for all non-residential development. A minimum of BREEAM¹ 'very good' certification for all non-residential development is required from 2014, rising to BREEAM 'excellent' from 2016.
 - Action 24: Requiring climate change adaptation measures to be integrated into the design of new developments. The precise measures to be implemented will vary from development to development, taking account of the context of each specific proposal, but some example measures have been included in the Local Plan, with further detail due to be included in the updated Sustainable Design and Construction SPD.
 - A number of policies to minimise traffic generation and promote sustainable transport, including:
 - ensuring that major developments on the edge of the city and in the urban extensions are accessible to the city centre and major centres of employment by public transport, cycling and walking;
 - safeguarding land for new public transport infrastructure, such as bus lanes, interchange facilities and junction improvements;
 - Safeguarding existing cycling and walking routes, identifying new cycle routes on land outside the public

¹ BREEAM is an internationally recognised assessment method for sustainable building design, construction and operation

highway, for example the Chisholm Trail, and requiring developers to fund high-quality cycle paths;

- Setting minimum standards for numbers of cycle parking spaces to be provided in all new developments;
- Ensuring that new roads make provision for the needs of pedestrians, cyclists and public transport users, including safety measures.

5.4 As set out under action 15 a) in the Climate Change Strategy, a policy requiring a minimum of Code for Sustainable Homes Level 4 for all new residential development was included in the draft Local Plan. However, as a result of the Government's national Housing Standards Review, the Code for Sustainable Homes has been discontinued from March 2015. As a result, we will no longer be able to use planning policy to require new homes to be built to the Code for Sustainable Homes standards, or any other sustainable construction standard.

5.5 Appropriate modifications to the plan to take account of the Housing Standards Review will now be proposed. It is hoped that Local Plan policies can be retained which require new developments to demonstrate how they have met the principles of sustainable design and construction. Officers will also continue to work with developers to deliver sustainable housing developments and to promote other construction methodologies, including the new homes standard currently being developed by the Building Research Establishment (BRE).

5.6 The Council has also recently become the first local authority Developer Member of the Good Homes Alliance, which is a group of housing developers, building professionals and other industry supporters who are committed to promoting and delivering sustainable homes. The Council intends to use the learning from members of the group to help shape and set the sustainability standards for the construction of new Council homes. All new Affordable Housing developments completed in Cambridge in 2014/15 were constructed to Level 4 of the Code for Sustainable Homes and the City Council will continue to monitor new affordable housing completions against the standard in the future.

5.7 The Government's Housing Standards Review also recommended limiting the extent to which local planning authorities in areas of

water stress can set water consumption standards for new homes, with an optional standard of 105 litres per head per day available. The draft Local Plan includes a policy requiring water consumption in new homes to be no more than 80 litres per head per day in order to maintain sustainable water resources in the long term. It is, however, likely that we will only be able to require 105 litres/head/day through planning policy. Officers will continue to work with developers to attain higher levels of water efficiency and sustainable construction, including the delivery of new Council Housing through the application of the Good Homes Alliance Standard.

Energy efficiency in existing homes

5.8 The City Council has also assisted residents to reduce their carbon emissions through a range of measures in 2014/15 to improve the energy efficiency of existing homes in the City, including:

- Action 9 b): Improving the energy efficiency of Council homes, through: replacing 333 older boilers with more energy efficient condensing boilers; insulating the lofts of more than 200 homes; insulating the cavity walls of more than 150 homes; and applying external wall insulation to 20 properties. This work has helped ensure that the average SAP energy rating for Council properties increased from 70 in 2013/14 to 71 in 2014/15. This was in line with the target of increasing the average SAP score by 1 point per year.
- Action 11 d): Working with the five other Cambridgeshire local authorities in the Action on Energy partnership to jointly procure Climate Energy Ltd to provide Green Deal, Energy Company Obligation (ECO) and self-financed energy efficiency measures for privately-owned homes across Cambridgeshire. In April 2014, the Action on Energy partnership was awarded £7.8m from the Government's Green Deal Communities Fund. Part of this funding has been used to support homeowners to insulate solid wall properties. Funding has also focussed on encouraging the installation of improvements in the private rented sector. Since the scheme was launched over 500 quotations for Green Deal Communities work have been accepted with over 100 jobs installed.
- Publishing a comprehensive guide for residents on sustainable homes and living. The 'Greening Your Home' guide has been

distributed to community centres, libraries, residents associations and community and voluntary organisations, and is available on the Council's website here:

<https://www.cambridge.gov.uk/save-energy-water-and-money-at-home>. The guide provides information on saving energy in the home, but also includes sections on saving water, sustainable food, efficient use of resources, sustainable transport and greening your garden. The guide builds on national guidance on these issues and the experience of a number of London local authorities in producing guides, but it also signposts residents to support available from local groups in Cambridge.

Recycling

5.9 The Council has also assisted residents to reduce their carbon emissions through its recycling and waste collection services during 2014/15. For example:

- Action 12 b): The Council has carried out a number of campaigns to promote recycling to residents and businesses during 2014/15. These have included: promoting the Council's new food waste collection service to food-related businesses; promoting textile recycling and food waste recycling to residents, including kitchen caddy giveaways; and increasing the numbers of volunteers from the Recycling Champions scheme attending local events to provide information and support to residents on recycling issues.
- Action 13: In-cab technology has now been installed on most vehicles in the waste fleet, which will enable the Council to identify areas where recycling rates are lower and target future campaign work at these areas of the city.
- Action 14): In 2014/15 the Council increased the range of materials that can be collected and recycled, by adding plastic bags and film to kerbside collections. As a result Cambridge residents can now recycle almost all the dry waste items it is possible to recycle with current technology. In addition, mixed dry recycling banks have been provided at all the recycling points across the city, enabling a greater range of materials to be collected, and the number of banks for recycling small electrical items and textiles has been increased.

6. Progress in delivering the key actions under Objective 3

- 6.1 Objective 3 of the Climate Change Strategy is being achieved by continuing to play a leading role in partnerships with neighbouring local authorities, the city's universities, and the voluntary, community and business sectors.
- 6.2 A number of partnership projects with Cambridgeshire County Council were progressed in 2014/15 that will help promote a shift to more sustainable modes of transport in Cambridge, including:
- Installing new cycle racks in the city centre to provide an additional 600 cycle parking spaces.
 - Action 36: A number of major projects in the Transport Strategy for Cambridge and South Cambridgeshire will be implemented through the City Deal which will help reduce congestion and increase travel in Cambridge by sustainable modes of transport. Measures to be included in the first phase of City Deal funding are currently being considered ahead of public consultation in September 2015.
 - Action 37: Progressing a joint programme of improvements to existing highways for cyclists with Cambridgeshire County Council. These included completing the Perne Road/Radegund Road roundabout scheme, which will reduce vehicle speeds and increase cycle safety, and the widening of the avenue path on Jesus Green.
 - Action 38: Working with partners in the Quality Bus Partnership to ensure buses meet higher emissions standards. The Partnership set emissions standards for new buses for 2010-2015, which have been met for particulate matter and are very close to being met for nitrous oxides. The next Quality Bus Partnership agreement will run for 10 years from 2015-2025 and will enable a longer term approach to reducing emissions. New low emissions technologies will be introduced to the bus fleet as they come to market, using government funded initiatives where available.
 - Action 39: Following the implementation of the planned provision of car club spaces in the city in partnership with Cambridgeshire County Council in 2013/14, a policy on provision of on-street spaces for car clubs as part of major new developments has been included in the draft Local Plan.

Additional car club spaces are being secured through planning permissions for major developments such as the Clay Farm site to the south of the city and the University of Cambridge's North West Cambridge development.

- Contributing funding to the Travel for Cambridgeshire partnership, which works with employers to develop workplace travel and implement measures to reduce drive alone commuting and business travel. In 2014/15 the partnership worked with 119 employment sites in Cambridge which employ a total of 37,955 commuters.

6.3 In addition to the Action on Energy partnership outlined at 5.6, in 2014/15 the City Council worked with a range of partners to progress a number of major long-term schemes which will help reduce the impact of climate change. These include:

- Action 29: Working with the University of Cambridge to explore the financial viability and potential for a new district heating scheme connecting the New Museums site and the Guildhall and Corn Exchange.
- Action 31: Playing an active role in the Cambridge Retrofit project, which aims to demonstrate the business case for large scale energy efficiency improvements to public and private sector estates. A number of exemplar projects are currently being delivered, with RBS and the University of Cambridge taking forward retrofits at a number Cambridge buildings. In order to increase the number of exemplar projects in the city, the City Council and the University of Cambridge are currently working on a joint bid for European Structural and Investment Funds (ESIF).
- Actions 32 and 33: Housing development on City Council-owned land at Clay Farm has commenced, and all homes will be built to above Level 5 of the Code for Sustainable Homes. Construction work has also started on the new joint community centre at Clay Farm, which will be built to at least BREEAM excellent standards.
- Actions 40 and 41: Continuing to work with partners in the Cambridgeshire Flood Risk management partnership to manage climate change-related flood risks. Key actions have included:

- Including a policy on flood risk management and the role of Sustainable Drainage Systems (SuDS) in the draft Cambridge Local Plan.
- Working with Cambridgeshire County Council on the development of a county wide Flood and Water Supplementary Planning Document to provide guidance to developers. Consultation of the draft SPD is due to take place in autumn 2015, with adoption taking place shortly after the adoption of the new Local Plan later in 2016.
- Working with partners in the Cambridge Sustainable Food partnership, including voluntary and community groups (e.g. Cambridge Carbon Footprint, Transition Cambridge, Foodcycle, Cambridge Cropshare, and Cambridge Past Present and Future), the University of Cambridge, Anglia Ruskin University and local businesses to promote sustainably produced food. The partnership has been accepted as a member of the national Sustainable Food Cities Network and is working towards achieving Sustainable Food City status. It has developed a detailed action plan which contains a number of Council-led activities, including: developing a programme of cooking skills projects for residents around the city, with a focus on cooking healthy, sustainable meals; promoting healthy and sustainable produce to food businesses as part of environmental health activities; and promoting take-up of allotments and community gardens and encouraging residents to grow their own produce.

6.4 The City Council has also worked closely with local voluntary and community groups during 2014/15 and helped build their capacity to undertake activities to address climate change. It has provided a total of £30,000 in grants to 13 local environmental groups as part of the annual Sustainable City Grants programme. A total of 17 projects were supported which ranged from repairing and reusing household items to developing skills and spaces for residents to grow their own food. The Council also awarded £12,070 in cycling and walking promotion grants to local groups for a range of projects, including cycle storages facilities for the YHA, and cargo bikes for a social enterprise run by a homeless support charity.

7. Implications

(a) Financial Implications

Funding for projects included in the Carbon Management Plan (which is the primary vehicle for delivering Objective 1 of the Strategy) will come from a number of different funding sources, including the Climate Change Fund and existing General Fund or Housing Revenue Account (HRA) budgets for delivering services.

The actions contained in the Climate Change Strategy Action Plan under Objectives 2 and 3 will be funded through:

- Existing budgets for delivering key services, particularly for projects or actions that will deliver climate change benefits as part of wider planned developments or improvements to key services. These fall within the General Fund or the HRA depending on the services involved.
- Government and other external funding sources for climate change initiatives.

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

Lead officers have been identified for projects in the Climate Change Strategy Action Plan and Carbon Management Plan who have the capacity to deliver the projects within the stated timescales. The Climate Change Officer will manage and co-ordinate the overall delivery of the Carbon Management Plan, with support from the Carbon Management Team, which is a corporate group that includes many of the lead officers.

(c) Equality and Poverty Implications

An Equalities Impact Assessment (EqIA) of the aims and objectives was carried out when the Climate Change Strategy and the Carbon Management Plan were developed. This did not identify any specific negative impacts, but further Equality Impact Assessments may be undertaken for individual projects. For example, an EQIA was carried out for the developing Local Plan.

(d) Environmental Implications

The Climate Change Strategy and Action Plan and the Carbon Management Plan will have a high positive impact on the environment by

setting out a planned approach to: reducing the Council's carbon emissions; setting high standards for residents, businesses and organisations to reduce their carbon emissions and manage climate risks; and working in partnership with, influencing and learning from other organisations to address the causes and effects of climate change.

(e) Procurement

The Climate Change Strategy Action Plan includes two actions relating to procurement. The first focuses on improving the Council's contract management processes to ensure that contractors deliver the sustainability requirements of contracts. The second relates to exploring with partner organisations the potential for procuring a joint energy contract with associated sustainability criteria.

(f) Consultation and communication

Public consultation was carried out on a draft of version of the Climate Change Strategy and Action Plan for 10 weeks, starting on 5 July 2012 and finishing on 5 September 2012. The views expressed by respondents to the consultation were taken into consideration in developing the final strategy and were presented to the Executive Councillor and members of the Environment Scrutiny Committee before the Strategy was approved

(g) Community Safety

The Strategy and Action Plan have minimal impact on Community Safety.

5. Background papers

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

- Cambridge City Council Climate Change Strategy and Action Plan
- Cambridge City Council Carbon Management Plan

Both documents can be viewed on the Council's website at:

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

6. Inspection of papers

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

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7. Appendices

Appendix A – Details of Carbon Management Plan projects implemented between 2011/12 and 2014/15

Appendix B – Details of the Carbon Management Plan projects proposed for implementation during 2015/16

Appendix C - Carbon Management Plan projects that have been postponed

Appendix D – Climate Change Fund expenditure to-date

Appendix A: Details of Carbon Management Plan projects implemented between 2011/12 and 2014/15

Projects costing less <£15k or annual savings <£1k. Therefore savings not recouped.

HRA or GLL funded projects. Therefore savings not recouped.

Ref.	Project	Lead officer	Total implementation cost - £	Annual carbon savings - tCO2e	Estimated Annual project cost avoidance - £	Project cost avoidance that will be recouped - £	Explanation	Total savings already recouped
2011/12								
1	Community Centre Energy Efficiency Improvements	Jackie Hanson	£9,800	7	£1,100		No - project cost less than £15K	
2	Pools Energy Efficiency Improvements - Parkside Pools changing areas	Ian Ross	£40,000	40	£10,300	£10,300	Yes - already recouped	10,300
3	Grand Arcade Annex Car Park LED Lights	Sean Cleary	£94,100	121	£15,366	£15,400	Yes - already recouped	15,400
4	Brandon Court Energy Efficiency Measures	Will Barfield	£440,000	42	£6,540		HRA	
5	Brandon Court - PV cells	Will Barfield	£130,000	12	£5,840		HRA	
7	Crematorium Heat Recovery Project	Paul Necus	£23,145	22	£2,629	£2,600	Yes - already recouped	2,600
8	Install electric bin lift on replacement refuse vehicle	Dave Cox	£5,000	3	£1,322		No - project cost less than £15K	
9	Replace boiler at Llandaff Chambers	Jim Stocker	£28,966	53	£8,578	£8,500	Yes - already recouped	8,500
62	Solar PV installation at New Street Hostel	Sam Griggs	£23,600	2	£1,506		HRA	
2012/13								
10	Implement RHI technologies - Non-housing properties	Ian Ross	£143,833	16	£10,800	£10,800	Partly recouped	6,000
12	Abbey Energy Efficiency Improvements (VSD and BeMS)	Ian Ross	£46,000	137	£20,200	£20,200	Yes - already recouped	20,200
13	Cherry Hinton Village Centre Changing Room Refurbishment	Ian Ross	£20,000	24	£3,550	£3,550	Yes - already recouped	3,550
14	Jesus Green and Kings Hedges Energy Efficiency Improvements	Ian Ross	£23,300	26	£3,950	£3,950	Yes - already recouped	3,950
15	Pool covers for Abbey and Parkside and Kings Hedges Learner Pool	Ian Ross	£42,600	70	£11,400	£11,400	Yes - already recouped	11,400
16	Parkside Energy Efficiency Improvements (VSD and BeMS)	Ian Ross	£42,640	136	£20,000	£20,000	Yes - already recouped	20,000
22	Corn Exchange - Upgrade to LED House lighting	Chris Norton	£39,652	31	£4,500	£4,500	Yes - already recouped	4,500

24	Mill Road Depot - upgrade to condensing boilers; Heating optimum start controls; and pipework inspection & insulation	Jim Stocker	£33,394	10	£1,560	£1,600	Yes - already recouped	1,600
25								
26								
27	Route optimisation for refuse trucks (HGVs)	Michael Parsons	£15,000				Project did not deliver expected savings	
28	Install stop/start technology on 12 replacement light commercial vehicles	Dave Cox	£2,100	1	£1,329	£1,329	Yes - but not yet recouped	
2013/14								
6	Upgrade lighting and install lighting sensors at Stanton House.	Sam Griggs	£7,000	3.3	£600		HRA	
11	Voltage Optimisation Roll Out - Grafton East Car Park	Clare Palferman & Sean Cleary	£12,612	13.8	£2,100	£2,100	Yes - already recouped	£2,100
17	Voltage Optimisation Roll out - Mandela House	Andy Wood and Clare Palferman	£20,037	20.8	£3,800	£3,800	Yes - but not yet recouped	
30	Upgrade to LEDs in Grafton West Car Park	Sean Cleary	£30,000	17.0	£3,132	£3,132	Yes - already recouped	£3,100
66	Hobson House Boiler Replacement	Andy Muggeridge	£42,000	4.1	£660		No - because annual savings less than £1K	
21	East Road Garages Lighting Upgrade.	Sam Griggs	£13,581	11.7	£1,935		HRA	
67	Replacing 2 Boilers at The Meadows Centre with more efficient types	Jonathon Church	£12,000	4.0	£600		No - because annual savings less than £1K	
2014/15								
	Corn Exchange - Heating Controls in foyer	Chris Norton	£8,213	1.9	£2,000		No - savings recouped by Cambridge Live instead	
	Cherry Hinton Village Centre - Solar PV	GLL	£15,072	4.9	£2,332	£2,332	Savings already recouped through a reduction in the annual management fee for the leisure centres	£2,332
	Kings Hedges Learner Pool - Heat Pumps	GLL	£24,522	33.2	£10,063	£10,063		£10,063
	Abbey Pools - Voltage Optimisation	GLL	£19,874	41.0	£8,226	£8,226		£8,226
	Parkside Pool - Combined Heat and Power (CHP) Refurbishment	GLL	£19,750	176.1	£25,000	£25,000		£25,000
	Abbey Pools - LED lighting upgrade	GLL	£19,606	29.9	£7,384	£7,384		£7,384
	Pools - Awareness Raising Campaign	GLL	£1,000	40.0	£4,500	£4,500		£4,500
		TOTAL	£1,448,397	1,155	£202,802	£180,666		170,705

Appendix B: Details of the Carbon Management Plan projects proposed for implementation during 2015/16

Project	Estimated Total Implementation Cost	Estimated Annual Cost Avoidance (£)	CC Fund Contribution	R&R Contribution	HRA	GLL	Estimated annual carbon savings - tonnes of CO2 (tCO2)
Community Centres - Upgrade to condensing boilers	£120,000	£2,700	£18,000	£102,000			16.7
Upgrade to LEDs & lighting controls in Grand Arcade Main Car Park	£175,000	£16,403	£100,000	£75,000			111.8
Replace 12 fleet vehicles with alternatives with Stop/Start technology	£2,100	£2,500		£2,100			3.3
Solar PV at the Crematorium	£40,000	£6,000	£40,000				25.0
Community Centres - Awareness Raising Campaign	£1,000	£2,000	£1,000				12.9
Staff Awareness Campaign for all offices	£1,000	£10,200	£1,000				67.6
Introduce driver incentive scheme, to encourage more efficient driving	£1,000	£25,420	£1,000				57.1
Install lighting sensors at Whitefriars	£8,000	£600			£8,000		3.3
Abbey Pools - Replacement Boiler	£30,000	£1,000				£30,000	10.0
Cherry Hinton Village Centre - boiler replacement	£5,000	£200				£5,000	1.8
Possible project: The remaining Climate Change Fund budget will be spent on the installation of solar PV and solar thermal at appropriate sites	£186,100	TBC	£186,100	TBC	TBC	TBC	TBC
TOTAL FOR 2015/16	£569,200	£67,023	£347,100	£179,100	£8,000	£35,000	310

Appendix C: Carbon Management Plan projects that have been postponed

Project	Estimated Total Implementation Cost	Estimated Annual Cost Avoidance (£)	CC Fund Contribution	R&R Contribution	HRA	Estimated annual carbon savings - tonnes of CO2 (tCO2)
North Area Housing Office - free cooling - controls for existing fans	£400	£21	£400			0.1
North Area Housing Office - pipework inspection/ insulation	£1,000	£13	£1,000			0.1
North Area Housing Office - Heating Sequencing	£1,000	£124	£1,000			0.8
North Area Housing Office - secondary glazing	£2,500	£124	£2,500			0.8
North Area Housing Office - Heating optimum start controls	£3,000	£124	£3,000			0.8
North Area Housing Office - upgrade to condensing boiler	£22,000	£292		£22,000		1.8
Voltage Optimisation at Ditchburn Place	£13,947	£2,199			£13,947	15
Solar thermal technology at Ditchburn Place	£60,000	£4,500			£60,000	16.7
Ditchburn Place Refurbishment - energy efficiency improvements	£75,000	£4,320			£75,000	27.9
Guildhall pipework and valve draught proofing	£22,955	£4,000	£22,955			25.0
Lighting upgrades to the third floor of The Guildhall	£2,400	£728	£2,400			5.0
LED lights and motion sensors in the Guildhall basement	£30,000	£6,000	£15,000	£15,000		40.0
Mandela House - upgrade to condensing boiler	£60,000	£2,464	£9,000	£51,000		15.2
Mandela House - controls for existing fans	£600	£190	£600			1.3
Mandela House - pipework and valve insulation	£8,628	£2,000	£8,628			12.0
Mandela House - Draught proofing on first floor	£4,000	£262	£4,000			1.6
Mandela House - Lighting upgrades	£8,400	£2,376	£8,400			16.2
TOTAL FOR 2015/16	£315,830	£29,737	£78,883	£88,000	£148,947	180

Appendix D: Climate Change Fund expenditure to-date

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
(All figures £'s)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Cumulative funding available by year	(250,000)	(243,900)	(207,465)	(383,145)	(396,269)	(409,749)	(347,100)
Additional contribution to Fund			(250,000)	(184,770)	(129,050)		
Total surplus available by year	(250,000)	(243,900)	(457,465)	(567,915)	(525,319)	(409,749)	(347,100)
Pilot of Electric Bin Lifts	2,100						
Chesterton Road Toilet Modernisation	900						
Corn Exchange Christmas Lighting Lamps	600						
Arbury Court WC Rainwater Harvesting	2,500						
Romsey Rec Rainwater Harvesting		2,500					
Energy Audit of Pools & Leisure Centres		3,750					
Grand Arcade Annex Car Park Fan system		21,700					
Public Conveniences & Park St Car Park Energy Survey		2,730					
Watercourses Flood Risk Survey			4,510				
Community Centres Energy Audits		2,995					
Corn Exchange LED lighting		2,760					
LED Lighting at the Grand Arcade Annex Car Park				100,000	(5,900)		
Mill Road water efficiency (1)			36,000				
Mill Road water efficiency (2)			11,700				
Replacement boiler - Barnwell House			3,150				
Guildhall Voltage optimisation			17,960				
Market Stall LED lighting			1,000	12,030			
Market Stall LED lighting -Balance Returned to Fund				(12,030)			
Tree Canopy Study				10,870	4,130		
Community Centres energy efficiency measures				9,800			
Heat recovery at the Crematorium				11,600			
Water and energy saving measures in changing rooms at Parkside Pool				35,000			
LED audit of multi-storey car park lighting				5,420	1,080		
Refund from Power Perfector for Voltage Optimisation at Guildhall				(1,044)			
CM Plan Ref 17 : Voltage Optimisation at Mandela House (capital bid C2736 refers). Including £3,223 of additional IT costs.						21,960	
CM Plan Ref 11: Voltage Optimisation at Grafton East Car Park. Including additional £900 for Parkeon to be onsite.						13,921	
CM Plan Ref 22: Corn Exchange LED House Lights					25,700		
CM Plan Ref 12: Abbey VSD and BMS (38177)					24,650		
CM Plan Ref 16: Parkside VSD and BMS					42,640		

CM Plan Ref 15: Pool covers for Abbey and Parkside and consequent changes to heating system					23,270		
CM Plan Ref 30: Upgrade to LEDs & lighting controls in Grafton West Car Park						30,000	
Voltage Optimisation rebate for Mandela House and Grafton East Car Park						(3,232)	
Spend by year	6,100	36,435	74,320	171,646	115,570	62,649	0
Balance remaining carried forward	(243,900)	(207,465)	(383,145)	(396,269)	(409,749)	(347,100)	(347,100)
Those projects shown in highlighted cells are projects that are included in the Council's Carbon Management Plan 2011-2016							



To: Executive Councillor for Finance and Resources
Report by: Alan Carter – Head of Strategic Housing
Relevant scrutiny committee: Strategy 13/07/15
and
Resources
Committee
Wards affected: Petersfield

Title – Redevelopment of Mill Road Depot Key Decision

1. Executive summary

This is an enabling report requesting approval to begin the process to redevelop the Mill Road Depot site.

The site has been included in the draft Local Plan but, of course, can only be redeveloped if its inclusion is confirmed in the final Local Plan.

A final scheme, fully costed, will be brought to the Committee for scrutiny and approval of the Executive Councillor before a contract is signed with a developer partner to redevelop the site.

2. Recommendations

The Executive Councillor is recommended to;

- a. Approve the procurement of a planning and development brief for the site,
- b. Delegate authority to the Director of Environment to agree a procurement process to select a preferred partner to develop the site following consultation with the Director of Business Transformation, Director of Customer and Community Services; Leader; relevant Executive Councillors; and Opposition Spokespersons,

3. Background

This project flows from the Business Transformation project to review Council services that currently occupy the Mill Road Depot and forms part of the overall office accommodation strategy which seeks to rationalise the

space used for administrative office purposes within the city centre and to release capital and revenue. The redevelopment of the site cannot proceed until viable alternatives are found for these services. There are also a number of businesses that are currently located on the Depot site which will need to relocate to allow redevelopment of the land.

The Annual Statement 2015/16 includes as a priority for the Council “to work to bring forward proposals to redevelop the Mill Road depot site for housing, including social, intermediate and co-operative housing”.

The Mill Road Depot site has been identified in the Local Plan (2015) for potential development (Site reference R10, Site Area 2.7 ha, Allocated Use: Residential; Capacity 245 dwellings, 75 dwellings per hectare). The plan attached as Appendix 1 shows the extent of the site with the land owned by the City Council hatched in red.

The site consists of the Council’s depot and offices, two community facilities (on the southern boundary) and garages (to the north). There is a small area at the southwest corner of the site that is not in the Council’s ownership.

A report was considered by East Area Committee on 23 October 2014 when it was noted that the Council will engage widely with local communities about the future plans for the site. The site has the potential to make a significant contribution to addressing local housing need in this part of the city. In making any future change to the use of the site the following considerations will be taken fully into account:

- requirements of and recommendations arising from the Local Plan process;
- principles set out in the Local Plan Mill Road Opportunity Area, if adopted;
- need to address issues such as social housing and open space provision in the area;
- challenging highway and access issues;
- opportunity to complete the Chisholm Trail cycle route linking to both stations;
- distinctive character of Mill Road and the surrounding area (including the listed former library building close to the entrance);
- conservation area status.

Savills has carried out initial valuation work on the site. It was tasked with valuing the site for the number of units identified in the draft Local Plan and on varying assumptions on social housing from 40% to 60%. This gave a value range of £9.5m to £13.5m, subject to deduction of contamination costs. They also considered increasing the density on the site and this gave

a value range of £13.3m to £18.5m, again to be adjusted for contamination. This was a high level desk based exercise.

A final scheme, fully costed, will be brought to the Committee for scrutiny and approval of the Executive Councillor before a contract is signed with a developer partner to redevelop the site. Whichever, procurement or development route is chosen, the Council will seek that 40% of the new housing will be for affordable rent.

Approval to proceed with the procurement of a development brief for the site

The Council, as land owner, has committed to prepare a development brief for the site as part of the planning process that, amongst other things, will demonstrate how development will successfully integrate with the existing residential area as well as addressing the constraints and opportunities of the site. The scale, massing and density considerations in the design of new development will be expected to have regard to the character of the existing area.

Approval is requested to procure the services of a suitably qualified and experienced planning and design practice to produce the development brief.

The development brief will include;

- A review and confirmation of the main development constraints and opportunities.
- Options and assessment around; the viability of uses or combination of uses selected, including consideration of market demand and development costs; additional infrastructure and facilities to be provided and by whom; layout of the development including access, parking and circulation; scale, massing and height of buildings; and formal and informal open space and landscaping; buildings to be retained; and design criteria.

The development brief will be the subject of formal consultation with the local community and internal and external stakeholders. The community consultation will include an exhibition of development and design options and will be interactive to collect views in a structured way. Assuming that a planning and design practice is commissioned by the end of August 2015, community consultation will take place in October and November 2015. The development brief will be the subject of an EQIA and will be brought back to Committee for scrutiny prior to sign off by the Executive Councillor along with a full and detailed account of how local community representations have helped shape the brief.

Local practice suggests that the development brief may be best undertaken by an architectural practice as urban design and configuration of the built form and the public realm will form a substantial part of the brief. The development brief will also require technical transport access input. This could be commissioned direct by the Council but may be best commissioned through the lead consultant.

The development brief is targeted to be complete by the end of March 2016.

Delegated approval to commence the procurement of a partner developer to develop the site subject to the inclusion of the site in the Local Plan.

There is a relationship between the degree of control that the Council wishes to exercise in the redevelopment of the site; how much of the development risk the Council is prepared to take; and a view on the 'reward' that will materialise. This is important to understand as it will drive the way that the procurement of a development partner to redevelop the site. For example, if the Council preferred to take a quick capital receipt and de-risk the redevelopment for the Council from a financial perspective it would simply sell the site as soon as vacant possession can be offered. If the Council preferred to share some of the development risk and potential reward it could opt for a joint venture arrangement with a partner developer that matches respective investment and financial risk and reward. Another approach is to use the development agreement model used for the Council's Clay Farm development which allowed the Council to fix its requirements for the development in terms of build standard and cost to the Council (i.e. de-risk) leaving the partner to take the development risk (and therefore any reward – although this can also be capped using an overage mechanism).

Subject to the scheme being included in the Local Plan the target is to start any redevelopment in April 2017. If this is to be achieved it will be necessary to begin the discussions now around the development options and the appropriate procurement route to deliver the preferred option.

Enabling funding is required to produce the development brief and progress other works shown below prior to approval of the final scheme. These works will be funded from the current Business Transformation budget.

- Development Consultant to advise on commission of Design and Development Brief. The Development Consultant may be retained to offer advice and critical analysis on the development options; procurement implications and the Council's requirements to input into the form of legal agreement for the development.

- Cost of production of development brief.
- Other advice to be determined . For example, it is preferable for any developer/house-builder partner to commission a full contamination survey rather than they rely on a survey commissioned by the Council. However, the Council will need to pay for advice on a budget figure to include in procurement documents. Other early specialist external legal or tax advice may be required subject to the disposal route chosen.

4. Implications

(a) Financial Implications

See text regarding enabling funding above.

The delivery of the 40% new Affordable Housing required on the site under Planning Policy has been built in to the Housing Revenue Account Business Plan.

Loss of income from current commercial and garage tenants will be factored in to the financial appraisal for the redevelopment of the site.

(b) Staffing Implications

The Project sponsor is Simon Payne.

The project is currently being progressed and directed by an officer group.

The core members of the group are;

Simon Payne - Sponsor

Alan Carter – Project Manager

Fran Barrett – Project Co-ordinator and link to the Office Accommodation and Services Review projects

Nicola Hillier – Assistant to Project Manager

Dave Prinsep – Property

Other Project Board Members (personnel yet to be determined)

Legal rep

Procurement rep

Finance lead

External 'critical friend'

It is the intention set up a cross Party Member Reference Group to guide the project and as a key element of the project's communication strategy.

This will act as a conduit for information exchange as the project progresses and can be a 'sounding board' for solutions to address any issues that may emerge.

(c) Equality and Poverty Implications

An EQIA will be undertaken as part of the production of the development brief for the project and will be reviewed as the project progresses.

(d) Environmental Implications

These will be delivered within the planning framework

(e) Procurement

See above

(f) Consultation and communication

The development brief will be the subject of formal consultation with the local community and internal and external stakeholders.

(g) Community Safety

None

5. Background papers

The Mill Road Depot was identified following a Strategic Housing Land Availability Assessment (SHLAA) in preparation of the Local Plan. A summary of this assessment is available via the following link and is referred to as Site 102:

<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/ANNEX%2013%20SHLAA%20May%202013%20City%20Sites.pdf>

(See page numbered 295 onwards)

6. Appendices

Appendix 1 – Site Plan – City Council owned land hatched red.

7. Inspection of papers

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

Author's Name: Alan Carter

Author's Phone Number: 01223 457948

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Council Depot



Mill Road Depot

Date:	23 March 2015
Produced by:	Nicola Hillier
	from Intranet Mapping
Scale:	1:1,000 @ A3

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To Executive Councillor for Strategy & Transformation

Report by Head of Finance

Relevant Scrutiny Committee Strategy & Resources

13 July 2015

2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Strategy & Transformation Portfolio

Key Decision

1. Executive summary

1.1 This report presents a summary of the 2014/15 outturn position (actual income and expenditure) for services within the Strategy & Transformation Portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2015/16 are identified.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To agree the carry forward requests, totalling £18,620 as detailed in Appendix C, to be recommended to Council for approval.
- b) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £23,000 from 2014/15 into 2015/16 as detailed in Appendix D.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Strategy & Transformation Portfolio, compared to the final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this service portfolio, for which approval is sought to carry forward unspent budget from 2014/15 to the next financial year, 2015/16.

- 3.4 The overall revenue budget outturn position for the Strategy & Transformation Portfolio is set out in the table below:

Strategy & Transformation Portfolio 2014/15 Revenue Summary	£
Final Budget	3,519,780
Outturn	2,673,877
Variation – (Under)/Overspend for the year	(845,903)
Carry Forward Requests	18,620
Net Variance	(827,283)

The net variance represents 23.5% of the overall portfolio budget for 2014/15.

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Strategy & Transformation Portfolio, with explanations of variances.
- 3.6 An overall net underspend of £23,000 has arisen. This is due to slippage and rephasing of items in the capital plan is required to transfer the budget into 2015/16.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £18,620 from 2014/15 to the next financial year, 2015/16, would result in a reduced use of General Fund reserves of £827,283.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2015/16, the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

5. Background papers

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

- Closedown Working Files 2014/15
- Directors' Variance Explanations – March 2015
- Capital Monitoring Reports – March 2015
- Budgetary Control Reports to 31 March 2015

6. Appendices

- Appendix A - Revenue Budget 2014/15 - Outturn
- Appendix B - Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2014/15 - Carry Forward Requests
- Appendix D - Capital Budget 2014/15 - Outturn

7. Inspection of papers

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

Authors' Names:	Linda Thompson, Jackie Collinwood, Julia Hovells, John Harvey
Authors' Phone Numbers:	Telephone: 01223 - 458144, 01223 - 458241, 01223 - 457822, 01223 - 458143
Authors' Emails:	linda.thompson@cambridge.gov.uk jackie.collinwood@cambridge.gov.uk julia.hovells@cambridge.gov.uk john.harvey@cambridge.gov.uk

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Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Chief Executive						
Corporate Strategy	481,620	344,280	336,040	(8,240)	5,620	(2,620)
Democratic Services	306,540	311,840	286,510	(25,330)		(25,330)
Environment						
CCTV	151,760	103,200	92,338	(10,862)		(10,862)
Customer & Community Services						
Community Safety	122,220	177,240	162,173	(15,067)	13,000	(2,067)
Central Services						
Corporate & Democratic Services	2,388,060	2,296,550	2,174,338	(122,212)		(122,212)
Central Provisions and Centrally allocated costs	(162,100)	(342,600)	(958,065)	(615,465)		(615,465)
Pensions - Early Retirements and Past Deficit	80,140	629,270	580,543	(48,727)		(48,727)
Total Net Budget	3,368,240	3,519,780	2,673,877	(845,903)	18,620	(827,283)

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)
- via technical adjustments/virements throughout the year

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	Minor variances. A carry forward of £5,620 is requested for New Burdens funding which was awarded to meet additional costs in meeting the requirements of the Transparency Code 2015, which came into effect from 1 April 2015.	(8,240)	Andrew Limb
Democratic Services	Electoral Registration: the Council received a central Government grant for electoral registration after our budgets had been set, and this has been used where possible instead of the allocated service budget. The grant was larger than anticipated, and this, coupled with the fact that the IER system is completely new, meaning we had to gauge our activities (and consequent spend) as our understanding of the process evolved over the year, contributed to the underspend.	(25,330)	Andrew Limb
CCTV	Minor variances	(10,862)	Paul Necus
Community Safety	Request for carry forward of £13k of which £5k is for volunteer training for Neighbourhood Resolution Panels and the remainder is for funds held in case of the need for a domestic abuse homicide review.	(15,067)	Lynda Kilkelly
Central Provisions, Centrally allocated costs and Corporate & Democratic Services	Balances on the Central and Support Services which report to other portfolios have been cleared to this portfolio ready for reallocation during final accounts closedown. So, whilst the variance amounts are shown here, where variances are significant they have been explained within the source portfolio so are therefore not reproduced here. In addition, unspent balances on central provisions which are held on this portfolio may be partly offset by variances reported within service budgets (such as temporary staff contract savings). So the major areas of variances include: net underspend of £122k on Corporate & Democratic Services, including £29k Finance General, £19k emergency planning, £31k Corporate Policy and £19k members' support	(737,677)	John Harvey
Pensions - Early Retirements and Past Deficit	underspends (reported as part of the Finance & Resources Portfolio) of £240k IT, £77k Admin and Buildings, £30k HR, £25k Internal Audit and £48k Legal, partly offset by an overspend on Architects of £31k. In addition net underspends of £123k central overheads (recharged from other services) and £30k central Maternity Fund. Includes the cost of capitalised pension payments that are to be spread over 5 years, which are now reducing as the payment periods for individual employees expires.	(48,727)	John Harvey
Total		(845,903)	

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for Carry Forward Request	Amount £	Contact
1	<p>Chief Executive</p> <p>Corporate Strategy: a carry forward is requested for New Burdens funding which was awarded to meet additional costs in meeting the requirements of the Transparency Code 2015, which came into effect from 1 April 2015</p>	5,620	David Kidston
2	<p>Director of Customer & Community Services</p> <p>Community Safety: £5k for volunteer training for Neighbourhood Resolution Panels and the remainder being for funds held in case of the need for a domestic abuse homicide review.</p>	13,000	Lynda Kilkelly
<p>Total Carry Forward Requests for Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee</p>		18,620	

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC586	Wide Area Network	T Allen	167	167	160	(7)	7	0	Project is on target for completion in the 2015/16 financial year.
SC555	Siemens Maintenance Contract	J James	2	2	2	0	0	0	Scheme completed.
SC587	Telephone Payments Upgrade & Online Payments Content Management System (CMS)	J James	17	17	1	(16)	16	0	Online payments installation was completed in March 2014. Telephone payments upgrade is scheduled to be completed in the 2015/16 financial year.
SC429	Telephony System Upgrade	J Nightingale	50	50	50	0	0	0	Scheme completed.
SC593	Keep Cambridge Moving Fund Contribution	S Payne	700	0	0	0	0	0	Scheme deleted from the Capital Plan in January 2015 (Strategy & Resources Scrutiny Committee budget papers refer).
Total Projects			936	236	213	(23)	23	0	

Total for Strategy & Transformation Portfolio	936	236	213	(23)	23	0
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Changes between original and final budgets may be made in Appendix D to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)

- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year

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To Executive Councillor for Finance & Resources

Report by Chief Executive, Director of Customer and Community Services,
Director of Environment and Director of Business Transformation

Relevant Scrutiny Committee Strategy & Resources 13 July 2015

2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Finance & Resources Portfolio

Key Decision

1. Executive summary

1.1 This report presents a summary of the 2014/15 outturn position (actual income and expenditure) for services within the Finance & Resources Portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2015/16 are identified.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To agree the carry forward requests totalling £153,310 as detailed in Appendix C, to be recommended to Council for approval.
- b) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £1,542,000 from 2014/15 into 2015/16, as detailed in Appendix D.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Finance & Resources Portfolio, compared to the final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this portfolio, for which approval is sought to carry forward unspent budget from 2014/15 to the next financial year, 2015/16.

- 3.4 The overall revenue budget outturn position for the Finance & Resources Portfolio is set out in the table below:

Finance & Resources Portfolio 2014/15 Revenue Summary	£
Final Budget	(5,237,520)
Outturn	(6,015,532)
Variation - (Under)/Overspend for the year	(778,012)
Carry Forward Requests	153,310
Net Variance	(624,702)

The net variance represents 11.9% of the overall portfolio budget for the 2014/15 financial year.

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Finance & Resources Portfolio, with explanations of variances.
- 3.6 An overall net underspend of £1,491,000 has arisen. £1,542,000 is due to slippage. Rephasing of the items in the Capital Plan is required to transfer the budget into 2015/16. The remaining variance of £51,000 is a result of net overspends on individual capital schemes and programmes. Please note that external income of £44,000 was received during the 2014/15 financial year, which offsets the majority of the net overspends.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £153,310 from 2014/15 to the next financial year, 2015/16, would result in a decreased use of General Fund reserves of £624,702.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2015/16, the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

5. Background papers

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

- Closedown Working Files 2014/15
- Directors' Variance Explanations – March 2015
- Capital Monitoring Reports – March 2015
- Budgetary Control Reports to 31 March 2015

6. Appendices

- Appendix A - Revenue Budget 2014/15 - Outturn
- Appendix B - Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2014/15 - Carry Forward Requests
- Appendix D - Capital Budget 2014/15 - Outturn

7. Inspection of papers

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

Authors' Names:	Linda Thompson; John Harvey
Authors' Phone Numbers:	01223 - 458144; 01223 - 458143
Authors' Emails:	linda.thompson@cambridge.gov.uk john.harvey@cambridge.gov.uk

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Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn £	Variation - Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Business Transformation						
Finance - General	(761,520)	(595,520)	(855,880)	(260,360)	0	(260,360)
General Properties and Grand Arcade	(7,112,100)	(6,328,590)	(6,518,215)	(189,625)	0	(189,625)
Property Services	0	(186,060)	(196,479)	(10,419)	0	(10,419)
	(7,873,620)	(7,110,170)	(7,570,574)	(460,404)	0	(460,404)
Other IT Spend						
Technology Investment Fund	0	4,300	4,300	0	0	0
	0	4,300	4,300	0	0	0
Human Resources						
Employee Travel Plan	0	0	0	0	0	0
Salary Sacrifice Schemes	0	0	(2,335)	(2,335)	0	(2,335)
GMB	0	0	(632)	(632)	0	(632)
Unison	0	0	(392)	(392)	0	(392)
Quality/Health and Safety Management - Indirect	0	0	(10,294)	(10,294)	0	(10,294)
	0	0	(13,653)	(13,653)	0	(13,653)
Chief Executive's						
Sustainable City	111,380	130,660	123,190	(7,470)	0	(7,470)
	111,380	130,660	123,190	(7,470)	0	(7,470)
Customer and Community Services						
Revenues and Benefits	2,114,370	1,740,040	1,495,318	(244,722)	153,310	(91,412)
Finance - Indirect	0	0	0	0	0	0
Mill Road Support Services	0	0	0	0	0	0
Repairs and Maintenance (General Fund)	279,870	0	0	0	0	0
	2,394,240	1,740,040	1,495,318	(244,722)	153,310	(91,412)
Environment						
Land Charges and Searches	(49,620)	(2,350)	(54,113)	(51,763)	0	(51,763)
	(49,620)	(2,350)	(54,113)	(51,763)	0	(51,763)
Direct Services Total	(5,417,620)	(5,237,520)	(6,015,532)	(778,012)	153,310	(624,702)
Support Services (net costs recharged to Departments)						
Accountancy and Support Services	1,592,520	1,387,060	1,371,645	(15,415)	0	(15,415)
Other Support Services	228,890	180,370	178,077	(2,293)	0	(2,293)
Internal Audit	309,410	238,220	212,765	(25,455)	0	(25,455)
Human Resources	927,200	805,270	739,977	(65,293)	0	(65,293)
IT	2,444,600	2,344,340	2,088,694	(255,646)	0	(255,646)
Legal Services	958,470	774,800	726,926	(47,874)	0	(47,874)
Admin Buildings (including Facilities Management)	2,385,160	2,432,150	2,343,830	(88,320)	0	(88,320)
Architects	118,470	90,430	121,447	31,017	0	31,017
Support Services Total	8,964,720	8,252,640	7,783,361	(469,279)	0	(469,279)
Recharged to Departments	(8,964,720)	(8,252,640)	(7,783,361)	469,279	0	469,279
Support Services (net)	0	0	0	0	0	0
Total Net Budget	(5,417,620)	(5,237,520)	(6,015,532)	(778,012)	153,310	(624,702)

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)
- via technical adjustments/virements throughout the year

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Business Transformation Finance - General	The underspend is mainly due to VAT repayments to the Council following claims made to H.M. Revenue & Customs in respect of prior years and CCLA Property Fund receipts.	(260,360)	Charity Main
General Properties and Grand Arcade	The underspend is mainly due to the receipt of backdated rental income following the completion of rent reviews and audits during the 2014/15 financial year.	(189,625)	Dave Prinsep
Customer and Community Services Revenues and Benefits	The main variance is primarily due to unspent Homelessness Prevention Funding of £153,310 allocated to Discretionary Housing Payment use (top up funding) for which a carry forward of budget is requested (see Appendix C). The remaining variances are due to one-off residual Council Tax Benefit receipts of £17k, one-off underspend on staffing costs of £34k primarily due to vacancies during the 2014/15 financial year (N.B. the majority of the vacant posts have now been filled) and a positive variance of £41k across a range of transport, supplies and services and income budget headings. (N.B. Ongoing supplies and services savings of £19k have been built into budgets from financial year 2015/16 onwards).	(244,722)	Alison Cole
Environment Land Charges and Searches	The variance is primarily due to the Land Charges fee income exceeding the income budget that was set. The income budget is always set conservatively due to year on year changes to the housing market conditions.	(51,763)	Paul Boucher
Support Services Internal Audit	Variance is primarily due to a Senior Auditor post being vacant for part of the financial year. N.B. Following a recent recruitment process, the post has now been filled.	(25,455)	Steve Crabtree
Human Resources	The main variance is due to an underspend on staffing costs, primarily due to a number of vacancies during the 2014/15 financial year - £19k (the majority of the vacant posts have now been filled). The remaining variances are due to an underspend on Occupational Health costs - £14k (the level of expenditure on Occupational Health is demand led and therefore subject to fluctuations) and transport and supplies and services underspends across a range of budget headings - £33k (N.B. Ongoing supplies and services savings of £11k have been built into budgets from financial year 2015/16 onwards).	(65,293)	Deborah Simpson

**Finance & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2014/15 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
IT	The variance is primarily due to an underspend on application support days - £188k. The core IT contract includes some cost elements that were previously charged separately via application support days charges. The bulk of the remaining variance is due to underspends on consultants and professional fees. (The consultants and professional fees budgets have been reduced by £20k from 2015/16 onwards to reflect ongoing savings.)	(255,646)	James Nightingale
Legal Services	Underspend on staffing costs owing to a vacant post and part time cover for a full time post - £40k. The remaining variance is primarily due to an over achievement of income - £8k.	(47,874)	Simon Pugh
Admin Buildings (including Facilities Management)	The main variances are in relation to Lion House:- Business rates savings of £16k and underspends of £57k on service charges, building maintenance and utility costs.	(88,320)	Trevor Burdon
Architects	Due to staff sickness there was an under recovery of fee income.	31,017	Trevor Burdon

**Finance & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for carry forward request	Amount £	Contact
1	<p>Director of Customer and Community Services</p> <p>Revenues and Benefits Request to carry forward unspent Homelessness Prevention funding of £153,310 to support Discretionary Housing Payments. It is anticipated that the government grant, which was reduced by 18% for 2015/16, will continue to reduce thereby heightening the need for the DCLG top-up.</p>	153,310	Alison Cole
	Total Carry Forward Requests for Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee	153,310	

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC596	Replacement Air Cooling Systems	Will Barfield	0	167	0	(167)	167	0	Replacement air conditioning systems are required in a number of locations within Mandela House. Changes in refrigerant gas requirements has made some existing systems obsolete. The project has slipped but a detailed survey of requirements has taken place and revised quotes obtained. The work will be ready to start subject to approval of the project appraisal.
SC579	Office Accommodation Strategy	Frances Barratt	403	403	317	(86)	86	0	The refurbishment of the Guildhall reception and Mandela House training rooms have been completed. The separation works required to facilitate the letting of the Annexe at the Guildhall are scheduled to start during the 2015/16 financial year with rental income coming on stream in 2017/18.
	Municipal Bond Agency (MBA) - Purchase of Equity	Stephen Bevis	0	0	50	50	0	50	The capital investment in the Municipal Bonds Agency was approved via a Treasury Management committee report presented to the Strategy & Resources Scrutiny Committee meeting on 20 October 2014.
SC552	Localisation of Council Tax - Implementation Costs	Alison Cole	10	1	1	0	0	0	Scheme completed.
SC391	La Mimosa Punting Station	Philip Doggett	2	2	0	(2)	2	0	Contractual commitment is in place. Awaiting installation to take place during the Summer of 2015.
SC362	Lighting and Power in Committee Rooms	Althea Mejias	14	14	0	(14)	0	(14)	Budget created 6+ years ago, but works not carried out and cost deemed no longer necessary. The project can be reviewed again if works become a priority.
Total Projects			429	587	368	(219)	255	36	

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV554	Development of Land at Clay Farm	Alan Carter	1,330	1,202	204	(998)	998	0	The costs incurred are in respect of the Collaboration Agreement with Countryside Properties. Rate of invoices from Countryside Properties relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in Development Agreement and equates to four years from estimated planning approval.
Page 192 293	Development Land on the North Side of Kings Hedges Road	Philip Doggett	59	39	28	(11)	11	0	Expenditure for the 2014/15 financial year was lower than the original estimate supplied by the managing agent.
PV221b	Lion Yard - Contribution to Works - Phase 2	Philip Doggett	450	150	70	(80)	80	0	This is a scheme whereby we contribute 25% of the overall cost of the capital works at Lion Yard. The Phase 2 capital works were not completed during the 2014/15 financial year. The remaining budget for the 2014/15 financial year therefore needs to be re-phased to the 2015/16 financial year.
PV329	Corporate Document Management (DIP & EDRM)	James Nightingale	217	73	73	0	0	0	Scheme completed. Future expenditure will be met from existing Revenue budget provision.
PV583	Clay Farm Commercial Property Construction Costs	Dave Prinsep	100	100	0	(100)	100	0	First payment of £86,400 is forecast to be paid during the Summer of 2015.
Total Provisions			2,156	1,564	375	(1,189)	1,189	0	

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR023	Admin Buildings Asset Replacement Programme	Will Barfield	223	223	127	(96)	71	(25)	Budget of £71k needs to be re-phased to the 2015/16 financial year in order to complete the programmed works which commenced during the 2014/15 financial year.
PR024	Commercial Properties Asset Replacement Programme	Will Barfield	106	106	79	(27)	27	0	Budget of £27k needs to be re-phased to the 2015/16 financial year in order to complete the programmed works which commenced during the 2014/15 financial year.
PR020	ICT Infrastructure Programme	James Nightingale	607	607	647	40	0	40	The 2014/15 programmed works were completed during the 2014/15 financial year. The expenditure variance is offset by external income received.
PR036	Additional Investment in Commercial Property Portfolio	Dave Prinsep	816	0	0	0	0	0	Programme deleted from the Capital Plan in January 2015 (Strategy & Resources Scrutiny Committee budget papers refer).
Total Programmes			1,752	936	853	(83)	98	15	
Total for Finance & Resources Portfolio			4,337	3,087	1,596	(1,491)	1,542	51	

Changes between original and final budgets may be made in Appendix D to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)

- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year



To: Executive Councillor for Finance & Resources

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources

13 July 2015

2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances - General Fund - OVERVIEW

Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2014/15 outturn position (actual income and expenditure) for all portfolios, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted. Explanations have been reported to individual Executive Councillors / Scrutiny Committees and are reproduced here.
- 1.2 Requests to carry forward funding arising from certain budget underspends into 2015/16 are identified.
- 1.3 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2014/15) members of all committees have been asked to consider the proposals to carry forward budgets and make their views known to Executive Councillor for Finance & Resources, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council. As this report was published prior to completion of all the Scrutiny Committee meetings a list of all comments received will be published once available.
- 1.4 The outturn position for Housing Revenue Account (HRA) has been reported to Housing Scrutiny Committee and the Executive Councillor for Housing on 30 June 2015.

Revenue Outturn

- 1.5 The 2014/15 final revenue budget for all portfolios is £21,559,480. The final outturn for the year is now £18,062,339 giving an overall under-spend of £3,497,141. Of this total under-spend requests for carrying forward budgets into the next financial year are being sought for £657,030, as detailed in Appendix C.

Capital Outturn

- 1.6 The latest approved capital budget for all portfolios is £59,051,000 (of which HRA is £39,257,000). Actual expenditure on capital schemes and programmes during 2014/15 is £30,941,000 (of which HRA is £24,404,000) giving an overall under-spend of £28,110,000 (of which HRA is £14,853,000). Of this net underspend £27,044,000 (of which HRA is £13,758,000) is due to net slippage and Council approval is sought to rephase the required capital resources from 2014/15 into 2015/16 and future years.
- 1.7 It should be noted that approval processes for capital projects have been reviewed, with the aim of ensuring that projects are properly planned, and therefore deliverable, before inclusion on the capital plan. Following scrutiny and approval at this committee (Strategy and Resources Scrutiny Committee 13 July 2015) these new processes will be implemented. It is expected that these processes will contribute towards reducing slippage on capital budgets, however the full impact of the change will not be apparent until 2016/17, as projects approved through the forthcoming Mid-Year financial review and budget setting processes will form part of the 2016/17 capital plan.

2. Recommendations

The Leader is recommended, taking account of the views of Executive Councillors and members of the Scrutiny Committees on the following proposals:

- a) To agree the final carry forward requests, totalling £657,030, as detailed in Appendix C, are to be recommended to Council for approval, subject to the final outturn position.
- b) To seek approval from Council 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.

3. Background

Revenue Outturn

- 3.1 The revenue budget for 2014/15, initially approved by Council on 27 February 2014, was considered in the January 2015 Committee cycle and revised as appropriate. The final outturn position for all portfolios, compared to final revenue budget, is presented in detail in Appendix A.
- 3.2 Explanations for the main variances from the final budget for 2014/15 have been reported to appropriate Executive Councillors / Scrutiny Committees and are reproduced as Appendix B.
- 3.3 Appendix C sets out the list of items, for all portfolios, for which approval is sought to carry forward unspent budget from 2014/15 to the next financial year, 2015/16.

3.4 A summary of the final revenue outturn position for all portfolios is shown below:

General Fund Revenue Summary	2014/15 £	2013/14 £
Original Budget	19,900,150	20,560,460
Adjustments	1,659,330	715,710
Final Budget	21,559,480	21,276,170
Outturn	18,062,339	19,165,416
Net Variation / (underspend) for the year on committees	(3,497,141)	(2,110,754)
Carry Forward Requests:	657,030	469,010
Net Variance on committees	(2,840,111)	(1,641,744)
Other net variances (mainly retained business rates)	(913,109)	32,641
Net Variance and reduced use of General Fund Reserves	(3,753,220)	(1,203,841)

Capital Outturn

3.5 Appendix D - Overview summarises the final outturn position against 2014/15 final capital budgets. Explanations for the main variances from final budgets for 2014/15 have been reported to appropriate Executive Councillors / Scrutiny Committees and are reproduced as Appendices D (General Fund Detail) and Appendix E (Housing). The net under-spend of £28,110,000 (of which HRA is £14,853,000) is mainly due to slippage.

3.6 A summary of the final capital outturn position for all portfolios is shown below:

General Fund Capital Summary	2014/15 £	2013/14 £
Original Budget per Budget Book	29,385,000	13,652,000
Adjustments	(9,591,000)	(2,803,000)
Final Budget	19,794,000	10,849,000
Outturn	6,537,000	6,579,000
Net Variation / (underspend) for the year	(13,257,000)	(4,270,000)
Rephasing Requests:	13,289,000	4,095,000
Over / (Under) Spend	32,000	(175,000)

HRA Capital Summary	2014/15 £	2013/14 £
Original Budget per Budget Book	41,932,000	27,654,000
Adjustments	(2,675,000)	2,102,000
Final Budget	39,257,000	29,756,000
Outturn	24,404,000	17,522,000
Net Variation / (underspend) for the year	(14,853,000)	(12,234,000)
Rephasing Requests:	13,758,000	11,733,000
Over / (Under) Spend	(1,095,000)	(501,000)

3.7 The Capital Plan will be updated as necessary to reflect changes in the phasing of capital projects.

4. Implications

- 4.1 The net variance from final revenue budget, after approvals to carry forward £657,030 revenue budgets from 2014/15 into 2015/16 will result in a decreased use of General Fund reserves of £2,840,111. After Capital / revenue Projects financed from revenue rephasing and other variances the net overall variance and decreased use of General Fund Reserves is £3,753,220.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2015/16, the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

5. Background papers

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

- Reports for all portfolios to the June 2015 Scrutiny Committee cycle

6. Appendices

- Appendix A - Revenue Budget 2014/15 - Outturn
- Appendix B - Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2014/15 - Carry Forward Requests
- Appendix D - Capital Budget 2014/15 - Outturn – Overview
- Appendix D - Capital Budget 2014/15 - Outturn – Detail (General Fund)
- Appendix D - Capital Budget 2014/15 - Outturn – Detail (HCIP)
- Appendix D - Capital Budget 2014/15 - Notes to the Housing Capital Investment Plan (HCIP)

7. Inspection of papers

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

Author's Name:	Contact: John Harvey
Author's Phone Number:	Telephone: 01223 - 458143
Author's Email:	Email: john.harvey@cambridge.gov.uk

O:\accounts\Committee Reports & Papers\Strategy & Resources from July 2007\2015 June\Final\Overview\Outturn 2014-15 - Overview Report.doc

General Fund Overview / Strategy & Resources Scrutiny Committee

Revenue Budget - 2014/15 Outturn

Committee / Portfolio	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Community Services						
City Centre & Public Places	2,150,250	2,767,370	2,752,653	(14,717)	78,300	63,583
Communities (formerly Community Arts & Total Community Services)	7,025,090	8,092,290	7,955,556	(136,734)	162,000	25,266
	9,175,340	10,859,660	10,708,209	(151,451)	240,300	88,849
Environment						
Environment & Waste (formerly Environment, Waste & Public Health)	8,447,450	8,073,310	7,776,373	(296,937)	96,400	(200,537)
Planning Policy & Transport	859,900	868,920	(266,610)	(1,135,530)	81,500	(1,054,030)
Total Environment	9,307,350	8,942,230	7,509,763	(1,432,467)	177,900	(1,254,567)
Housing						
Housing GF	3,466,840	3,475,330	3,186,022	(289,308)	66,900	(222,408)
Strategy & Resources						
Finance & Resources	(5,417,620)	(5,237,520)	(6,015,532)	(778,012)	153,310	(624,702)
Strategy & Transformation	3,368,240	3,519,780	2,673,877	(845,903)	18,620	(827,283)
Total Strategy & Resources	(2,049,380)	(1,717,740)	(3,341,655)	(1,623,915)	171,930	(1,451,985)
Total Portfolios / Committees	19,900,150	21,559,480	18,062,339	(3,497,141)	657,030	(2,840,111)
Capital Accounting Adjustments	(4,608,710)	(4,985,030)	(4,983,245)	1,785		1,785
Capital / Revenue Projects Expenditure Financed from Revenue	3,695,980	2,230,000	1,840,328	(389,672)	389,672	0
Contributions to Earmarked Reserves	2,367,710	1,766,610	1,719,940	(46,670)		(46,670)
Contributions to NNDR Earmarked Reserves	0	816,000	1,303,241	487,241		487,241
Contributions (from) Earmarked Reserves	(291,620)	(1,965,590)	(1,928,549)	37,041		37,041
Other Contributions to/(from) Reserves	(2,102,440)	(1,752,000)	3,047,922	4,799,922	(1,046,702)	3,753,220
	(939,080)	(3,890,010)	999,637	4,889,647	(657,030)	4,232,617
Net General Fund Spending	18,961,070	17,669,470	19,061,976	1,392,506	0	1,392,506
Financed by:						
Government Revenue Support Grant	(8,115,280)	(8,115,280)	(8,115,281)	(1)		(1)
NNDR	(670,000)	621,600	(738,457)	(1,360,057)		(1,360,057)
Other Government Grants:						
New Homes Bonus	(3,375,980)	(3,375,980)	(3,388,680)	(12,700)		(12,700)
Other specific grants	(93,480)	(93,480)	(113,226)	(19,746)		(19,746)
Council Tax	(6,702,010)	(6,702,010)	(6,702,008)	2		2
Collection Fund (Surplus)/Deficit	(4,320)	(4,320)	(4,324)	(4)		(4)
Total Financing	(18,961,070)	(17,669,470)	(19,061,976)	(1,392,506)	0	(1,392,506)
Net Total	0	0	0	0	0	0

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MF)
- via technical adjustments/virements throughout the year

City Centre & Public Places Portfolio / Community Services Scrutiny Committee

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Environment - Open Space Management	Arboriculture: a Priority Policy Fund bid was approved in 2011/12 for a four year project for planting new trees - this is unspent maintenance monies for year 3 & 4 and there is a request to carry this forward to be spent in 2015/16.	(29,997)	Alistair Wilson
Environment - Streets and Open Spaces	Environmental Projects / Project Delivery: Implementation costs for new building cleaning contract costs (in excess of £55,000) charged to this cost centre.	52,083	Alistair Wilson
Tourism and City Centre Management	Net minor underspends with a request to carry forward to cover the costs of a previously agreed course.	(3,297)	Emma Thornton

**Communities Portfolio (formerly Community, Arts & Recreation) / Community Services
Scrutiny Committee**

**Revenue Budget 2014/15 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
	Arts & Recreation		
Business & Marketing	City Centre Box Office: Over achievement is due to the installation of new Box Office software with a new business model where we retain 100% of booking fees, coupled with more tickets now being sold online resulting in higher yield of booking fees. The cost centre also benefitted from retention of all booking fees for Folk Festival tickets already sold. Overall this is balanced against known operating deficits elsewhere in Arts & Recreation.	(116,781)	Debbie Kaye
	Business & Marketing Administration: The original budget provision did not include pay protection for two members of staff from the start of the year. In addition there was also cover needed for long-term sickness absence for the full year.	31,213	Debbie Kaye
	Bill Posting & Distribution: The annual income target was ambitious and part of the recognised annual operating deficit for Arts & Recreation	29,673	Debbie Kaye
Cultural Facilities	Corn Exchange Marketing: There was an anticipated income shortfall of £35,880 although due to expenditure being reduced the variance is not as high as originally expected.	23,215	Debbie Kaye
	Corn Exchange Front of House: This overspend is due to higher costs of front of house staffing than originally anticipated. The overall year end position has been managed through service wide savings and efficiencies.	26,907	Debbie Kaye
	Corn Exchange - Events: The year end variance includes an anticipated income shortfall of £53,650 although, as expected, the final figure is much higher than this. The overall year end position has been managed through service wide savings and efficiencies. This underperformance contains the majority of the historic budget which the wider A&R consolidated approach mitigates.	159,798	Debbie Kaye
	Guildhall Civic Rooms: Major variance is due to the fact that we were unable to attract as many large scale conferences as originally anticipated	80,109	Debbie Kaye
Sport & Recreation	Sport & Recreation Administration: Increased Control on cost centre expenditure across sport & recreation account codes has resulted in a planned underspend to mitigate the Arts budget pressures. Maternity leave cover has not been filled to achieve the majority of the savings.	(83,789)	Ian Ross
	Leisure Contract Client Costs: Increased Control on cost centre expenditure across sport & recreation account codes has resulted in a planned underspend to mitigate the Arts budget pressures. None of the contract variation sum (£45,760) has been required to be used during the first year of the GLL contract.	(49,702)	Ian Ross

**Communities Portfolio (formerly Community, Arts & Recreation) / Community Services
Scrutiny Committee**

**Revenue Budget 2014/15 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
	Community Development		
Community Development Admin	Community Development - Admin: The underspend includes £80k one-off redundancy budget which is requested as a carry forward - this is required to cover necessary payments in the coming year. There is also an underspend of £20k from the one-off Project Facilitation Fund which was carried forward from 2013/14 for possible expenditure relating to Buchan St & Ross St Com Centre renovations. This is no longer required as expenditure now covered by Developer Contributions but will be used to cover any cross portfolio deficit.	(119,081)	Jackie Hanson
Community Centres	Community Facilities (formerly St Luke's Community School): £20k of the underspend relates to a one off carry forward to cover the cost of demolition of St Luke's Barn which will no longer happen. The budget has been retained to support any cross portfolio deficit.	(24,940)	Jackie Hanson
	The Meadows Community Centre: There has been a planned reduction in the expenditure at this centre in order to offset the anticipated underachievement of income at Ross St Community Centre due to its temporary closure during renovation	(23,120)	Jackie Hanson
Grants	Community Development Voluntary Support: Of this year's budget £75k is requested as a carry forward to establish a transition fund from to support voluntary & community organisations during the implementation of the new Community Grants programme as agreed at Community Services Scrutiny Committee 15/1/15 ref. 15/11/CS	(79,522)	Jackie Hanson

Environment & Waste Portfolio / Environment Scrutiny Committee

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Cost Centre	Reason for Variance	Amount £	Contact
Public Realm Enforcement	<p>Environment - Streets and Open Spaces</p> <p>Delays in recruitment for new starters led to a one off underspend in wages during the end of 2014/15. The service is now absorbing full staffing costs for overtime.</p>	(49,464)	Wendy Young
Control of Dogs	<p>Two failed rounds of recruitment for part time dog warden has led to one off underspend in wages. Recruitment for the position is currently underway.</p>	(20,663)	Wendy Young
Street Cleansing	<p>Main underspend due to vacant posts being open during service restructure. A carry forward is requested to meet the first year costs of a contracts manager (agreed Exec Cllr May 2015)</p>	(136,546)	Don Blair
Trade Waste	<p>Environment - Waste and Recycling</p> <p>Additional income has been received from ad-hoc University contract work.</p>	(24,005)	Greg Hutton-Squire

Planning Policy & Transport / Environment Scrutiny Committee

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Car Parks	<p>Environment - Parking Services</p> <p>Variance due to ongoing strength of car parks usage which as anticipated has continued through to year end.</p>	(643,157)	Sean Cleary
Building Control Other	<p>Environment - Planning</p> <p>Mixture of underspend on additions to pay & supplies and services; together with additional income for street naming & numbering & S106 construction monitoring</p>	(25,063)	Ian Boulton
City Development	<p>Vacancies across the NN and CDM teams have continued to result in reduced staffing costs. There was an overachievement across all application types which is difficult to predict in the CDM team in particular. The rapid pace of growth in the city has resulted in significantly higher levels of pre-app advice income than predicted and this is likely to continue.</p>	(354,942)	Sarah Dyer
Taxicard Service	<p>Take up taxi card scheme - change in circumstance of applicants.</p>	(32,269)	Sara Saunders
Flood Risk Management	<p>Recharges actioned, where appropriate. The underspend is due to a lack of officer resource during 2014-15 which has resulted in salary and minor revenue improvement savings. Further attempt to be made to recruit to vacant post in 2015-16. Some minor project work carrying forward from 2015-15 to 2015-16 year so good case for carrying over some un-committed funds.</p>	(57,357)	Simon Bunn

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Customer & Community Services - Housing Strategy, Development, Housing Advice, Private Sector Housing and Miscellaneous Housing			
Homelessness Costs	Spending on bed and breakfast provision was significantly lower than anticipated due to a combination of a lower level of demand and an increased supply of alternative accommodation, in the form of Cornerhouse and the temporary use of HRA dwellings for emergency housing purposes (£95k). The operating costs of Cornerhouse were also less than prudently assumed at the outset, and the budget for this will be reviewed as part of the 2016/17 budget process (£14k). No top up was made in 2014/15 in respect of the Access Scheme (£14k).	(131,253)	D Greening
CLG Homelessness Grant	Underspending in CLG Homelessness Grant for 2014/15, based on projects completed by 31st March 2015, with underspending in discretionary housing payments and employee costs. Funding awarded to third party organisations is currently approved under delegation, by the Head of Strategic Housing, with a request to carry forward £50,000 of resource into 2015/16 to meet both these liabilities and to allow additional discretionary housing payments to be made.	(52,201)	D Greening
Home Aid / Home Improvement Grants	Additional income was received in 2014/15, with £33k of small value grant and loan repayments being repaid to the authority by the clients. £10,000 of grant and loan repayments were assumed in year, but It is not possible to accurately predict this income as there may be no grant or loan repayments in any one year, and a large number in another.	(25,898)	H Reed
Housing Advice Service	Underspending in employee costs due to a combination of vacancies and decisions by staff not to partake in the pension scheme.	(13,862)	D Greening
125 / 451 Newmarket Road	Rent income for the occupation of 125 Newmarket Road was significantly under-achieved in 2014/15 due to changes in occupancy and difficulties in identifying suitable tenants to directly occupy or sub-let parts of the premises.	12,416	D Greening
Housing Strategy	Budget for the safer homes initiative was not fully spent in 2014/15.	(7,752)	H Reed
Minor Variations		(8,098)	
Total		(226,648)	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Environment - Refuse and Environment			
Housing Standards	Variance due to staff vacancies (one now filled), This can be offered up as a one off saving	(52,317)	R Ray
Energy Officer	Underspend on energy work and software budgets	(8,440)	J Dicks
Minor Variations		(1,903)	
		Total	
		(62,660)	
Total for Housing Portfolio / Community Services Scrutiny Committee		(289,308)	

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Business Transformation Finance - General	The underspend is mainly due to VAT repayments to the Council following claims made to H.M. Revenue & Customs in respect of prior years and CCLA Property Fund receipts.	(260,360)	Charity Main
General Properties and Grand Arcade	The underspend is mainly due to the receipt of backdated rental income following the completion of rent reviews and audits during the 2014/15 financial year.	(189,625)	Dave Prinsep
Customer and Community Services Revenues and Benefits	The main variance is primarily due to unspent Homelessness Prevention Funding of £153,310 allocated to Discretionary Housing Payment use (top up funding) for which a carry forward of budget is requested (see Appendix C). The remaining variances are due to one-off residual Council Tax Benefit receipts of £17k, one-off underspend on staffing costs of £34k primarily due to vacancies during the 2014/15 financial year (N.B. the majority of the vacant posts have now been filled) and a positive variance of £41k across a range of transport, supplies and services and income budget headings. (N.B. Ongoing supplies and services savings of £19k have been built into budgets from financial year 2015/16 onwards).	(244,722)	Alison Cole
Environment Land Charges and Searches	The variance is primarily due to the Land Charges fee income exceeding the income budget that was set. The income budget is always set conservatively due to year on year changes to the housing market conditions.	(51,763)	Paul Boucher
Support Services Internal Audit	Variance is primarily due to a Senior Auditor post being vacant for part of the financial year. N.B. Following a recent recruitment process, the post has now been filled.	(25,455)	Steve Crabtree
Human Resources	The main variance is due to an underspend on staffing costs, primarily due to a number of vacancies during the 2014/15 financial year - £19k (the majority of the vacant posts have now been filled). The remaining variances are due to an underspend on Occupational Health costs - £14k (the level of expenditure on Occupational Health is demand led and therefore subject to fluctuations) and transport and supplies and services underspends across a range of budget headings - £33k (N.B. Ongoing supplies and services savings of £11k have been built into budgets from financial year 2015/16 onwards).	(65,293)	Deborah Simpson

**Finance & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2014/15 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
IT	The variance is primarily due to an underspend on application support days - £188k. The core IT contract includes some cost elements that were previously charged separately via application support days charges. The bulk of the remaining variance is due to underspends on consultants and professional fees. (The consultants and professional fees budgets have been reduced by £20k from 2015/16 onwards to reflect ongoing savings.)	(255,646)	James Nightingale
Legal Services	Underspend on staffing costs owing to a vacant post and part time cover for a full time post - £40k. The remaining variance is primarily due to an over achievement of income - £8k.	(47,874)	Simon Pugh
Admin Buildings (including Facilities Management)	The main variances are in relation to Lion House:- Business rates savings of £16k and underspends of £57k on service charges, building maintenance and utility costs.	(88,320)	Trevor Burdon
Architects	Due to staff sickness there was an under recovery of fee income.	31,017	Trevor Burdon

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	Minor variances. A carry forward of £5,620 is requested for New Burdens funding which was awarded to meet additional costs in meeting the requirements of the Transparency Code 2015, which came into effect from 1 April 2015.	(8,240)	Andrew Limb
Democratic Services	Electoral Registration: the Council received a central Government grant for electoral registration after our budgets had been set, and this has been used where possible instead of the allocated service budget. The grant was larger than anticipated, and this, coupled with the fact that the IER system is completely new, meaning we had to gauge our activities (and consequent spend) as our understanding of the process evolved over the year, contributed to the underspend.	(25,330)	Andrew Limb
CCTV	Minor variances	(10,862)	Paul Necus
Community Safety	Request for carry forward of £13k of which £5k is for volunteer training for Neighbourhood Resolution Panels and the remainder is for funds held in case of the need for a domestic abuse homicide review.	(15,067)	Lynda Kilkelly
Central Provisions, Centrally allocated costs and Corporate & Democratic Services	Balances on the Central and Support Services which report to other portfolios have been cleared to this portfolio ready for reallocation during final accounts closedown. So, whilst the variance amounts are shown here, where variances are significant they have been explained within the source portfolio so are therefore not reproduced here. In addition, unspent balances on central provisions which are held on this portfolio may be partly offset by variances reported within service budgets (such as temporary staff contract savings). So the major areas of variances include: net underspend of £122k on Corporate & Democratic Services, including £29k Finance General, £19k emergency planning, £31k Corporate Policy and £19k members' support	(737,677)	John Harvey
Pensions - Early Retirements and Past Deficit	underspends (reported as part of the Finance & Resources Portfolio) of £240k IT, £77k Admin and Buildings, £30k HR, £25k Internal Audit and £48k Legal, partly offset by an overspend on Architects of £31k. In addition net underspends of £123k central overheads (recharged from other services) and £30k central Maternity Fund. Includes the cost of capitalised pension payments that are to be spread over 5 years, which are now reducing as the payment periods for individual employees expires.	(48,727)	John Harvey
Total		(845,903)	

Community Services Scrutiny Committee
City Centre & Public Places Portfolio
Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for Carry Forward Request	Amount £	Contact
1	Open Space Management Carry forward remaining funding to deliver projects initially funded through the Project Facilitation Fund	39,000	Alistair Wilson
2	Balance of unspent funds for an externally funded project at Mill Road Cemetery	8,000	Alistair Wilson
3	This represents the balance of unspent maintenance funds for years 3 & 4 which will be spent in 2015/16 [PPF 2011/12 - Four year programme of new tree planting]	27,700	Alistair Wilson
4	City Centre Management A carry forward is requested to cover the cost of a previously agreed course – LGA/KBA Strategic Leadership in Modern Local Government Programme.	3,600	Emma Thornton
Total Carry Forward Requests for City Centre & Public Places Portfolio / Community Services Scrutiny Committee		78,300	

Community Services Scrutiny Committee

Communities Portfolio (formerly Community, Arts & Recreation)

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for Carry Forward Request	Amount £	Contact
1	<p>Arts Development</p> <p>Carry forward of match funding to lever in a grant from Norfolk and Norwich Festival Bridge for the 'My Cambridge' project</p>	7,000	Jane Wilson
2	<p>Community Development</p> <p>Carry forward of restructuring costs budget which will be spent in 2015/16</p>	80,000	Jackie Hanson
3	<p>The Exec. Cllr. Has requested that we establish a transition fund from this year's budget to support voluntary & community organisations during the implementation of the new Community Grants programme. This was agreed at Community Services Scrutiny Committee 15/1/15 ref. 15/11/CS</p>	75,000	Jackie Hanson
	<p>Total Carry Forward Requests for Communities Portfolio (formerly Community, Arts & Recreation) / Community Services Scrutiny Committee</p>	162,000	

Environment & Waste Portfolio / Environment Scrutiny Committee

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for Carry Forward Request	Amount £	Contact
	Director of Environment		
1	Scientific Team - Unspent Part IIa investigation funds will be subject to a carry forward request due to an ongoing Contaminated land liability, a carry forward request of £8,000 is proposed	8,000	Jo Dicks
2	Control of Dogs - Ongoing delivery of the Control of Dogs poster campaign	4,000	Wendy Young
3	Street Cleansing - A carry forward is requested meet the first year costs of a contracts manager (agreed Exec Cllr May 2015)	50,000	Don Blair
4	Recycling Strategy - Carry forward of Recycling Champions budget (PPF3292) and funds held for the administration of waste bins on new properties	34,400	Jen Robertson
Total Carry Forward Requests for Environmental & Waste Services Portfolio / Environment Scrutiny Committee		96,400	

Planning Policy & Transport / Environment Scrutiny Committee

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for Carry Forward Request	Amount £	Contact
	Director of Environment		
1	City Development - To deliver the implementation phase of the City Centre Accessibility Review [PPF 3500].	10,000	Sarah Dyer
2	Walking & Cycling Strategy - Carry forward of unspent Walking and Cycling external funding	500	Alistair Wilson
3	Flood Risk Management - Some minor project work carrying forward from 2014-15 to 2015-16 year a carry forward is requested for uncommitted funds	50,000	Simon Bunn
4	Urban Design & Conservation - To deliver agreed the pro-active conservation work programme, including signage restoration, which extends to the end of 2016/17 financial year	21,000	Glen Richardson
	Total Carry Forward Requests for Planning Policy & Transport Portfolio / Environment Scrutiny Committee	81,500	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16 and future years

Item		Request £	Contact
	Director of Customer & Community Services		
1	CLG Homelessness Grants - Carry forward of these external grant balances are requested to allow existing commitments in respect of homelessness prevention work and support activity to be fully met. This grant is no longer ring-fenced, but local authorities are strongly encouraged to utilise the resource for the purpose it was awarded, with the Head of Strategic Housing having delegated authority to approve spending across the spending review period.	50,000	D Greening
	Director of Environment		
2	Housing Standards - This carry forward is requested to meet the revenue costs arising from Compulsory Purchase Orders	7,000	R Ray
3	Property Accreditation - This carry forward is requested to meet the costs of promotional activities, particularly development of the web-site, which did not take place in 2014/15.	1,900	R Ray
4	Energy Officer - Carry forward of resource to meet the balance of energy works not completed in 2014/15, which are now anticipated to be undertaken in 2015/16	8,000	J Dicks
	Total Carry Forward Requests for Housing Portfolio / Community Services Scrutiny Committee	66,900	

**Finance & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for carry forward request	Amount £	Contact
1	<p>Director of Customer and Community Services</p> <p>Revenues and Benefits Request to carry forward unspent Homelessness Prevention funding of £153,310 to support Discretionary Housing Payments. It is anticipated that the government grant, which was reduced by 18% for 2015/16, will continue to reduce thereby heightening the need for the DCLG top-up.</p>	153,310	Alison Cole
	Total Carry Forward Requests for Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee	153,310	

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for Carry Forward Request	Amount £	Contact
1	<p>Chief Executive</p> <p>Corporate Strategy: a carry forward is requested for New Burdens funding which was awarded to meet additional costs in meeting the requirements of the Transparency Code 2015, which came into effect from 1 April 2015</p>	5,620	David Kidston
2	<p>Director of Customer & Community Services</p> <p>Community Safety: £5k for volunteer training for Neighbourhood Resolution Panels and the remainder being for funds held in case of the need for a domestic abuse homicide review.</p>	13,000	Lynda Kilkelly
	<p>Total Carry Forward Requests for Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee</p>	18,620	

Appendix D - Overview

Overview (Committees and Housing Capital Investment Plan) / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Committee	Original Budget per Budget Book £000	Final Budget £000	Outturn £000	Variance £000	Rephase £000	Over / (Under) Spend £000
Community Services:						
City Centre & Public Places	2,595	2,036	1,005	(1,031)	973	(58)
Communities (formerly Community Arts & Recreation)	9,464	5,548	1,693	(3,855)	3,911	56
Total Community Services	12,059	7,584	2,698	(4,886)	4,884	(2)
Environment:						
Environment & Waste (formerly Environment, Waste & Public Health)	2,074	1,411	874	(537)	537	0
Planning Policy & Transport	9,413	7,393	979	(6,414)	6,305	(109)
Total Environment	11,487	8,804	1,853	(6,951)	6,842	(109)
Housing						
Housing GF	566	83	177	94	(2)	92
Strategy & Resources:						
Finance & Resources	4,337	3,087	1,596	(1,491)	1,542	51
Strategy & Transformation	936	236	213	(23)	23	0
Total Strategy & Resources	5,273	3,323	1,809	(1,514)	1,565	51
Total Committees	29,385	19,794	6,537	(13,257)	13,289	32
Housing Revenue Account (HRA)	41,932	39,257	24,404	(14,853)	13,758	(1,095)
General Fund Housing		0	0	0	0	0
Total for Housing Capital Investment Programme	41,932	39,257	24,404	(14,853)	13,758	(1,095)
Total Capital Plan	71,317	59,051	30,941	(28,110)	27,047	(1,063)

Community Services Scrutiny Committee

City Centre & Public Places Portfolio

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR003 - 35516	City Centre Management Programme	E Thornton	5	4	(1)	0	(1)	Project Complete
PR010a - 35523	Environmental Improvements Programme - North Area	A Wilson	117	15	(102)	102	0	Rolling annual programme of projects, many of which delayed through lack of officer resource and liaison with third parties. Both of which are being addressed with target completion during 2015-16.
PR010b - 35524	Environmental Improvements Programme - South Area	A Wilson	154	40	(114)	114	0	Rolling annual programme of projects, many of which delayed through lack of officer resource and liaison with third parties. Both of which are being addressed with target completion during 2015-16.
PR010c - 35525	Environmental Improvements Programme - West/Central Area	A Wilson	101	31	(70)	70	0	Rolling annual programme of projects, many of which delayed through lack of officer resource and liaison with third parties. Both of which are being addressed with target completion during 2015-16.
PR010d - 35526	Environmental Improvements Programme - East Area	A Wilson	118	24	(94)	94	(0)	Rolling annual programme of projects, many of which delayed through lack of officer resource and liaison with third parties. Both of which are being addressed with target completion during 2015-16.
PR010di - 35527	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Wilson	31	0	(31)	31	0	Outstanding work to paint railings now agreed with Exec Cllr. Target completion summer 2015.
PR010j - 35528	Environmental Improvements Programme - Fitzroy/Burleigh Street	A Wilson	0	1	1	0	1	Project completed with no further funding requirement.
PR027 - 38168	Replacement of Parks & Open Space Waste/Litter Bins	D Blair	129	88	(41)	41	0	Litter bin replacement programme is on-going
PR030a - 38213	Increase Biodiversity at Stourbridge Common (S106)	G Belcher	9	0	(9)	0	(9)	Project Complete
PR030b - 38214	Improve Access to Abbey Paddling Pools From Coldham's Common (S106)	A Wilson	10	6	(4)	0	(4)	Project Complete
PR030d - 38257	St Thomas Square Play Area Improvements (S106)	A Wilson	50	0	(50)	50	0	A second consultation has commenced 8th May 2015. Forecasting a July 2015 install date
PR030e - 38258	Cavendish Rd (Mill Rd end) Imp. seating, paving & public art (S106)	A Wilson	38	0	(38)	38	0	Alternative layout meeting Highway Authority approval now largely agreed, with detailed design, liaison with stakeholders and development of artists' brief underway. Statutory process required for parts of the work anticipated summer 2015 along with development of art element of the project. Target completion of landscaping elements by end Dec 2015
PR030f - 38259	Bath House Play Area Improvements (S106)	A Wilson	50	1	(49)	49	0	This project was originally programmed for July 15 delivery. Project development has resulted in the project moving outside its original scope and therefore is delayed. A revised project will be redevelopment more within the scope of the Committee Approval, with opportunity to consider further improvements at a later date
PR030h - 38255	Romsey 'town square' public realm improvements (S106)	A Wilson	6	2	(4)	4	0	Preliminary design work undertaken with discussion with landowner and adjacent tenants (Co-op etc.) underway. Detailed design work anticipated early summer with consultation, necessary approvals and procurement likely autumn 2015. Implementation dates subject to third party agreement, with target before end 2015-16
PR031d - 38262	Chestnut Grove play area improvements (s106)	A Wilson	50	0	(50)	50	0	This project was originally programmed for July 15 delivery. Project Appraisal Complete and now awaiting final Area Chair Approval - Forecasting a July 2015 delivery

Community Services Scrutiny Committee

City Centre & Public Places Portfolio

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR031e - 38263	Alexandra Gardens Trim Trail (S106)	A Wilson	35	0	(35)	0	(35)	This project is cancelled due to public concerns expressed over suitability of the offer.
PR031h - 38266	Lighting Improvements - Nun's Way multi - use games area (S106)	A Wilson	20	0	(20)	0	(20)	This project is cancelled as the works required are outside the qualifying scope of S106 spend
PR031i - 38280	Perse Way Flats Play Area (S106)	A Wilson	25	0	(25)	25	0	Project Appraisal Complete and now awaiting final Area Chair Approval - Forecasting a July 2015 delivery
PR032c - 38218	Cherry Hinton Recreation Ground Improvements (S106)	A Wilson	44	64	20	0	20	Overspent due to a change in surfacing requirement as the installation proceeded. Initially the installation was going to have grass matting but in discussion with our tree officer this would have a detrimental impact on the root zone of a clump of trees in close proximity. The surface chosen lays on top of grass thus avoiding excavation and therefore has a minimum impact on the root zone. The new surface cost however was significantly more than previously proposed.
PR032e - 38267	Accordia Trim Trail & Jnr Scooter Park (S106)	A Wilson	50	0	(50)	50	0	Project Appraisal Complete and now awaiting final Area Chair Approval
PR033a - 38220	Benches in Parks & Open Spaces (S106)	A Wilson	20	20	0	0	0	Complete
PR033b - 38221	Access Improvements to Midsummer Common Community Orchard (S106)	A Wilson	5	1	(4)	0	(4)	Complete
PR033c - 38222	Public Art element of improvements to the entrances at Histon Rd Rec (S106)	A Wilson	40	27	(13)	13	0	Art work is now being fabricated with a autumn delivery to coincide with the school term. An additional PA has been circulated to WCAC for approval, for additional items relating to improvements to Histon Road Recreation Ground
PR033f - 38272	Histon Rd Rec Ground Improvements (S106)	A Wilson	55	0	(55)	55	0	Project Appraisal Complete and now awaiting final Area Chair Approval - Forecasting a July 2015 delivery 12/5 To be completed with other improvement works to include Public Art and improvements to access and entrances
PR033g - 38273	Lammas Land diagonal cycle path solar studs (S106)	A Wilson	3	1	(2)	0	(2)	Complete
PR034a - 38224	Logan's Meadow Local Nature Reserve (LNR) Extension (S106)	G Belcher	139	115	(24)	0	(24)	Project Complete
PR034b - 38225	Paradise Local Nature Reserve (LNR) (S106)	G Belcher	0	0	0	0	0	Project Complete
PR034c - 38226	Drainage of Jesus Green (S106)	A Wilson	82	76	(6)	6	0	Complete - retention and autumn re-instatement costs
PR034d - 38227	Public Art - 150th & 400th Anniversary (S106)	A Wilson	17	12	(5)	5	0	The artist contract is to be signed shortly.
PR037 - 38252	Local Centres Improvement Programme	A Wilson	30	6	(24)	24	0	Funding provision in 2014-15 for officer time costs to work up project(s) for implementation from 2015-16 onwards. Need to ensure all officer time costs, including urban design and conservation, are fully re-charged to this cost centre. Good progress being made on the first priority project (Cherry Hinton) in conjunction with a County Council proposal that has recently been subject to detailed local engagement with a positive outcome. More detailed and statutory consultation, stakeholder approval, procurement and implementation to follow during 2015-16.
Total Programmes			1,433	534	(899)	821	(78)	

Community Services Scrutiny Committee

City Centre & Public Places Portfolio

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC410 - 38118	Mill Road Cemetery	A Wilson	24	3	(21)	21	0	HLF funded project. One more component to be delivered Summer/ Autumn 15 12th May - The delayed component is the excavation and exposure of the Mill Road Cemetery Chapel - This work requires Faculty approval and is to be delivered through the summer of 15.
SC456 - 39135	Coldhams Common Local Nature Reserve (LNR) (S106)	G Belcher	25	0	(25)	0	(25)	Project Complete.S106 element complete. Ongoing management following 2014/5 approval of Management Plan to be met via Single Farm Payment
SC468 - 38130	Vie Play Area (S106)	A Wilson	0	1	1	0	1	Complete
SC469 - 38131	Vie Public Open Space (S106)	A Wilson	33	1	(32)	32	0	The consultation has been completed on the equipment to be installed and on preferred locations. The location is outside the scope of the terms of the S106 and DOH is clarifying with legal services whether there are any risks with using the funding outside the red line of the development, before determining whether or not to proceed
SC479 - 38140	Abbey Pool Play Area Facilities (S106)	A Wilson	83	98	15	0	15	95% Complete - last few remaining invoices to be settled
SC492 - 38153	Jesus Green Play Area (S106)	A Wilson	2	0	(2)	2	0	Installation of fence as requested after play area was completed
SC507 - 39140	Visit Cambridge Website	E Thornton	2	2	0	0	0	Project Complete
SC524 - 38171	Cambridge Crematorium - Chapels & Public Areas Refurbishment	T Lawrence	7	7	0	0	0	Project complete
SC539 - 39151	Metered system for the supply of electricity on the Market	D Ritchie	24	21	(3)	0	(3)	Project Complete
SC540 - 39152	Electronic Market Management Software	D Ritchie	9	2	(7)	4	(3)	The final payment held back owing to concerns with the functionality of the system. Review of effectiveness of system will be complete by end of June so we would request a c/f for the remaining £4k until then.
SC544 - 38175	Coleridge Recreation Ground Improvements (S106)	A Wilson	266	196	(70)	70	0	there have been delays with specialist contractors, these are not resolved and the Play Area is to be completed w/c 18th May '15; MUGA (Planning permission granted) to be completed June 15
SC548 - 38179	Southern Connections Public Art Commission (S106)	A Wilson	22	15	(7)	7	0	Phase 1 completed. Project progressing
SC551 - 38182	Stourbridge Common - Riverbank Project	A Wilson	0	25	25	0	25	Project complete. The £25,000 additional revenue spend was for an extension of the 2013/14 Capital riverbank restoration works on Stourbridge Common from 260 metres to 330 metres, approved under urgency powers by the executive Councillor for Public Places and reported to Community Services on 11 July 2014
SC561 - 38190	Adaptations - Riverside River Banks	A Wilson	3	0	(3)	3	0	No identified spend at present. Awaiting the outcome on health and safety report on Riverside Railings
SC562 - 38191	Review - Street & Open Spaces Benches	A Wilson	47	42	(5)	5	0	90% Complete
SC573 - 38208	Installation of Air Conditioning units at the Tourist Information Centre	E Thornton	2	0	(2)	0	(2)	Project Complete
SC581 - 38240	Epilog Upgrade	T Lawrence	11	12	1	0	1	Project complete with regard to payments
SC584 - 38244	Parker's Piece Lighting Project (S106)	A Wilson	28	36	8	0	8	Project complete
SC591 - 38251	Crematorium Data Link	T Lawrence	8	0	(8)	8	0	Project now due for completion in 2015/16 - purchase order raised for works in April 2015

Community Services Scrutiny Committee

City Centre & Public Places Portfolio

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC600 - 38287	Far East Prisoners of War Commemorative Plaque	A Wilson	0	1	1	0	1	Costs incurred on staffing to work up design for completion in 2015-16, for which there is Capital budget provision.
- 38123	Active Communities Small Projects (under £15k) (S106)	T Wetherfield	0	2	2	0	2	
Total Projects			596	464	(132)	152	20	
PV348 - 38093	Allotment Improvements (S106)	A Wilson	7	7	0	0	0	Complete
Total Provisions			7	7	0	0	0	
Total City Centre & Public Places Portfolio			2,036	1,005	(1,031)	973	(58)	

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review (MFR))
- in the January committee cycle (as part of the budget setting report)

Communities Portfolio (formerly Community, Arts & Recreation)

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR025 - 40029	New Town Community Development Capital Grants Programme (S106)	B Keady	20	20	0	0	0	Rock Road Library - Project completed
PR026 - 40035	Community Development Grants Programme (S106)	B Keady	100	100	0	0	0	Stanesfield Road Scout Hut - Project completed
PR030i - 38261	Ross St Community Centre Improvements (S106)	S Roden	151	188	37	0	37	In conjunction with the original approval, the opportunity has been taken to progress other improvements as part of the refurbishment programme, with additional costs met from R&R. The final budget showing is grossed up for the County Council contribution of £81K which reduces the year end variance showing by this amount.
PR031b - 38211	BMX track next to Brown's Field Community Centre (S106)	A Wilson	29	0	(29)	29	0	Commenced 5th May - Work to be complete 22nd May. Early delays experienced in rescoping the brief at North Area Committee
PR031c - 38212	Improvements to Nun's Way Skate Park (S106)	A Wilson	56	54	(2)	0	(2)	Project Complete
PR031f - 38264	Buchan St Neighbourhood Centre Improvements (S106)	S Roden	170	174	4	0	4	In conjunction with the original approval, the opportunity has been taken to progress other improvements as part of the refurbishment programme, with additional costs met from R&R. The final budget is grossed up for the County Council contribution of £70k which reduces the year end variance showing by this amount.
PR032a - 38216	Conversion of Hanover Court/Princess Court Laundry into Community Meeting Space (S106)	B Keady	2	2	0	0	0	Project completed
PR032f - 38268	Cherry Hinton Baptist Church Family Centre (S106)	B Keady	63	0	(63)	63	0	Original project delayed due to funding issues, South Area Committee agreed additional funding and the grant will now be £121k. Work to commence end of April 2015
PR032g - 38269	Cherry Hinton Rec Ground pavilion refurb. (S106)	I Ross	100	1	(99)	99	0	Project on hold at request of Cherry Hinton Lions FC and Ward Councillors. New plans being worked up for larger scale development to increase the size with two additional changing rooms and to bid for additional funding from South Area committee in the June - Aug cycle of S106 developer contribution project ideas
PR032h - 38270	Trumpington Bowls Club Pavilion Ext. (S106)	I Ross	70	0	(70)	70	0	Project slightly delayed to obtain planning permission. Working on agreed timeline with the bowls club for start of works and currently out to tender
PR033h - 38274	St Augustine's Church Hall Extension/Upgrade (S106)	B Keady	100	100	0	0	0	Project Complete
PR033i - 38275	St Mark's Church Hall - Kitchen / Lobby Extension (S106)	B Keady	150	150	0	0	0	Project Complete
PR034g - 38230	Grant for extension to St Andrew's Hall to provide a dedicated space for a community cafe (S106)	B Keady	140	140	0	0	0	Project Complete
PR034i - 38277	Parkside Pool Starting Blocks (S106)	I Ross	21	19	(2)	0	(2)	Project Complete - unused allocated sums can be returned.
PR034k - 38276	Netherhall School Cricket Net Improvements (S106)	I Ross	25	25	0	0	0	Project Complete - Wicket and Tennis Nets in operation with community use
Programme Total			1,197	973	(224)	261	37	
SC361 - 42081	Disabled Access and Facilities - Guildhall Halls	D Kaye	35	15	(20)	0	(20)	Project Complete
SC436 - 38120	Pye's Pitch Rec Facilities (S106)	I Ross	5	4	(1)	0	(1)	Project Complete

Communities Portfolio (formerly Community, Arts & Recreation)

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Final Budget 2014/15	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
SC460 - 38128	Kings Hedges Learners Pool Electricity	I Ross	3	0	(3)	0	(3)	Project Complete - spend was all from R&R
SC476 - 38137	Water Play Area Abbey Paddling Pool (S106)	I Ross	125	123	(2)	2	0	Project Complete - rephased money is for payment of held retention sums due.
SC477 - 38138	Coleridge Paddling Pool Enhancement (S106)	I Ross	100	107	7	2	9	Project Complete - rephased money is for payment of held retention sums due. Overspend due to extensive landscaping works to bring new play space and existing play spaces levels together.
SC478 - 38139	Water Play Area Kings Hedges "Pulley" (S106)	I Ross	125	130	5	2	7	Project Complete - rephased money is for payment of held retention sums due. Overspend due to extensive landscaping works to bring new play space and existing play spaces levels together.
SC512 - 38164	Hobbs Pavilion Refurbishment (S106)	I Ross	10	8	(2)	0	(2)	Project complete - underspend of allocated S106 funding to be released.
SC560 - 38189	Guildhall & Corn Exchange Cap Schemes RO AR9	D Kaye	131	33	(98)	98	0	Works still in progress. To be completed by Cambridge Live in conjunction with Cambridge City Council
SC578 - 38237	Box Office Ticketing Software	D Kaye	36	37	1	0	1	Project complete
SC582 - 38241	Corn Exchange Front of House Toilets	D Kaye	7	0	(7)	7	0	Works still in progress. To be completed by Cambridge Live in conjunction with Cambridge City Council
Projects Total			577	457	(120)	111	(9)	
PV282 - 42048	Kettle's Yard	D Kaye	40	40	0	0	0	Grant awarded, legal agreement in place, construction phase to start imminently.
PV526 - 41070	Clay Farm Community Centre - Phase 1 (S106)	A Carter	134	162	28	0	28	Construction Phase Started April 2015 but other project costs will continue to be incurred. All future costs now be captured on PV564-38199
PV564 - 38199	Clay Farm Community Centre - Phase 2 (Construction)	A Carter	3,600	61	(3,539)	3,539	0	Construction Phase Started April 2015.
Provisions Total			3,774	263	(3,511)	3,539	28	
Communities Portfolio (formerly Community, Arts & Recreation)			5,548	1,693	(3,855)	3,911	56	

Environment and Waste Portfolio / Environment Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC530	Street Cleaning Planning Software	Don Blair	15	15	0	(15)	15	0	Project delay due to other pressures - need to review the purpose of this project
SC567	Purchase of Street Cleansing Vehicles & Plant	Don Blair	28	28	28	0	0	0	Project complete
Total Projects			43	43	28	(15)	15	0	
PR016	Public Conveniences	Joel Carre	500	500	459	(41)	41	0	Refurbishment of Lion Yard toilets completed June 2015, though delays in reaching final cost settlement with designer and contractor and closing out ongoing defects. Target completion for this May 2015. Business case for improving Silver Street facilities under consideration.
Total Provisions			500	500	459	(41)	41	0	
PR017	Vehicle Replacement Programme	David Cox	639	639	209	(430)	430	0	Planned replacement of some vehicles/machines in 2014-15 were delayed/under review. £430k is asked to be rephased to 2015-16.
PR028	Litter Bin Replacement Programme	Don Blair	144	144	137	(7)	7	0	Litter bin replacement programme is on-going
PR035	Waste & Recycling Bins - New Developments (S106)	Jen Robertson	85	85	41	(44)	44	0	Budget set based on predicted build and development build out is behind schedule delayed so not ordered as development not completed yet
Total Programmes			868	868	387	(481)	481	0	
Total for Environmental and Waste Services Portfolio			1,411	1,411	874	(537)	537	0	

Changes between original and final budgets may be made in Appendix D to reflect:

Environment and Waste Portfolio / Environment Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
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- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)

- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year

Planning Policy & Transport Portfolio / Environment Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC416	UNIform e-consultee Access Module	Paul Boucher	7	7	0	(7)	7	0	Funds c/f to 2015/16. Implementation of Final stage (online measuring tool) is dependent upon upgrade of IDOX Corporate Document Management System to Version 4. An order for consultancy support has been raised by the ICT Client Team. Work to be programmed in.
SC417	Development of UNIform System	Paul Boucher	0	0	4	4	0	4	Project complete
SC506	Replacement Grand Arcade Car Park Pay on Foot Machines	Sean Cleary	121	121	0	(121)	0	(121)	Contractual dispute resolved and all payments have now been made. Project complete.
SC535	Repairs to Grafton West Car Park	Sean Cleary	12	12	0	(12)	0	(12)	Project complete with an underspend of £12,000
SC569	Topographical Survey of Multi-Storey Car Parks	Sean Cleary	13	2	2	0	0	0	Project complete.
SC570	Essential Structural/Holding Repairs - Park Street Multi-Storey car park	Sean Cleary	58	27	23	(4)	4	0	3 year project. Year 2 works complete. Year 3 works now starting to be planned with work onsite to start in summer 15
SC571	Procurement of IT System to Manage Community Infrastructure Levy	Sara Saunders	20	20	0	(20)	20	0	Project due for completion in 2015/2016 prior to adoption of CIL. Examination scheduled to take place following Local Plan Examination.
SC577	Underground Investigations at Park St Multi Storey Car Park	Paul Necus	3	3	4	1	0	1	Retention fee paid, project complete

Planning Policy & Transport Portfolio / Environment Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC589	Grand Arcade Car Park Stairwell Refurbishment	Sean Cleary	50	50	43	(7)	7	0	Main works complete and 80% of main contractor payment made, remaining
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	Paul Necus	170	170	31	(139)	139	0	5 Year holding repairs project. Tender launched awaiting returns. Estimated start of holding repairs Autumn 15. Due to later than anticipated launch of tender future years budgets will require reprofiling
	INSPIRE Grant - to publish GIS data	Nick Burton	0	0	2	2	0	2	Project complete
Total Projects			454	412	109	(303)	177	(126)	
PV007	Cycleways	Joel Carre	419	279	244	(35)	35	0	Some projects delayed through lack of officer resource and liaison with third parties, both of which are being addressed with target completion during 2015-16.
PV018	Bus Shelters	Joel Carre	131	131	4	(127)	127	0	Project delayed through staffing changes and problems with suppliers. Defects addressed and final costs for shelters introduced in 2014 now agreed, with invoice for £13k imminent. Priorities for next phase agreed for further discussions with local Councillors/ Area chairs on detail as necessary. Project Engineer resource expected to be available from May 2015 to move project forward. Target completion of straightforward sites early in 2016, with remainder to follow as practicable dependent on detailed design and consultation outcomes.

Planning Policy & Transport Portfolio / Environment Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV033B	Street Lighting	Joel Carre	40	40	0	(40)	40	0	Project delayed through staffing changes and liaison with third parties. Historic core area jointly funded improvements largely agreed with County Council and their lighting PFI provider Balfour Beatty. Further financial allocation approved for Kite area, with detail to be developed. Project Engineer resource expected to be available from June 2015 to move projects forward, with target completion dependent on BB programme but before end 2015-16.
PV532	Cambridge City 20mph Zones Project	Joel Carre	283	283	107	(176)	176	0	Ongoing 3 year project that is on track for completion during latter part of 2015-16
PV549	City Cycle Parking	Joel Carre	438	248	265	17	0	17	First phase of project to install on-street racks substantially complete. Further allocation from 2015-16 under consideration.
PV594	Green Deal	Jo Dicks	0	4,500	222	(4,278)	4,278	0	Project has been extended to end of March 2016 by Climate Change Minister. Full Ammount to be rephased for spend in 15/16
PV595	Green Deal - Private Rental Sector	Jo Dicks	0	1,500	28	(1,472)	1,472	0	Project has been extended to end of March 2016 by Climate Change Minister. Full Ammount to be rephased for spend in 15/16
Total Provisions			1,311	6,981	870	(6,111)	6,128	17	
Total for Planning Policy & Transport Portfolio			1,765	7,393	979	(6,414)	6,305	(109)	

Changes between original and final budgets may be made in Appendix D to reflect:

- rephased capital spend from the previous financial year

Planning Policy & Transport Portfolio / Environment Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
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- rephased capital spend into future financial periods
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General Fund Housing Portfolio / Housing Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV163	Compulsory Purchase Orders (CPOs)	R Ray	400	0	0	0	0	0	
PV386	HMOs - Management Orders	R Ray	50	0	0	0	0	0	
PV414	Property Accreditation Scheme	R Ray	2	2	1	(1)	0	(1)	Scheme Complete
PV527	Energy efficiency Improvements to private sector housing	J Dicks	25	0	0	0	0	0	
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	0	81	174	93	0	93	Work to upgrade the facilities at 125 Newmarket Road were expanded to include some routine maintenance in line with an urgent decision in November 2014, which approved additional spend of £80,000 to be funded from R&R provision for the site.
SC599	Buchan Street Shopping Area Improvements	A Preston	0	0	2	2	(2)	0	Project approved at Council in February 2015, fully funded by County Council contributions. Some up front costs incurred prior to 1/4/2015.
Total Provisions			477	83	177	94	(2)	92	
Total for Housing			477	83	177	94	(2)	92	

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC596	Replacement Air Cooling Systems	Will Barfield	0	167	0	(167)	167	0	Replacement air conditioning systems are required in a number of locations within Mandela House. Changes in refrigerant gas requirements has made some existing systems obsolete. The project has slipped but a detailed survey of requirements has taken place and revised quotes obtained. The work will be ready to start subject to approval of the project appraisal.
SC579	Office Accommodation Strategy	Frances Barratt	403	403	317	(86)	86	0	The refurbishment of the Guildhall reception and Mandela House training rooms have been completed. The separation works required to facilitate the letting of the Annexe at the Guildhall are scheduled to start during the 2015/16 financial year with rental income coming on stream in 2017/18.
	Municipal Bond Agency (MBA) - Purchase of Equity	Stephen Bevis	0	0	50	50	0	50	The capital investment in the Municipal Bonds Agency was approved via a Treasury Management committee report presented to the Strategy & Resources Scrutiny Committee meeting on 20 October 2014.
SC552	Localisation of Council Tax - Implementation Costs	Alison Cole	10	1	1	0	0	0	Scheme completed.
SC391	La Mimosa Punting Station	Philip Doggett	2	2	0	(2)	2	0	Contractual commitment is in place. Awaiting installation to take place during the Summer of 2015.
SC362	Lighting and Power in Committee Rooms	Althea Mejias	14	14	0	(14)	0	(14)	Budget created 6+ years ago, but works not carried out and cost deemed no longer necessary. The project can be reviewed again if works become a priority.
Total Projects			429	587	368	(219)	255	36	

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV554	Development of Land at Clay Farm	Alan Carter	1,330	1,202	204	(998)	998	0	The costs incurred are in respect of the Collaboration Agreement with Countryside Properties. Rate of invoices from Countryside Properties relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in Development Agreement and equates to four years from estimated planning approval.
Page 192 333	Development Land on the North Side of Kings Hedges Road	Philip Doggett	59	39	28	(11)	11	0	Expenditure for the 2014/15 financial year was lower than the original estimate supplied by the managing agent.
PV221b	Lion Yard - Contribution to Works - Phase 2	Philip Doggett	450	150	70	(80)	80	0	This is a scheme whereby we contribute 25% of the overall cost of the capital works at Lion Yard. The Phase 2 capital works were not completed during the 2014/15 financial year. The remaining budget for the 2014/15 financial year therefore needs to be re-phased to the 2015/16 financial year.
PV329	Corporate Document Management (DIP & EDRM)	James Nightingale	217	73	73	0	0	0	Scheme completed. Future expenditure will be met from existing Revenue budget provision.
PV583	Clay Farm Commercial Property Construction Costs	Dave Prinsep	100	100	0	(100)	100	0	First payment of £86,400 is forecast to be paid during the Summer of 2015.
Total Provisions			2,156	1,564	375	(1,189)	1,189	0	

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR023	Admin Buildings Asset Replacement Programme	Will Barfield	223	223	127	(96)	71	(25)	Budget of £71k needs to be re-phased to the 2015/16 financial year in order to complete the programmed works which commenced during the 2014/15 financial year.
PR024	Commercial Properties Asset Replacement Programme	Will Barfield	106	106	79	(27)	27	0	Budget of £27k needs to be re-phased to the 2015/16 financial year in order to complete the programmed works which commenced during the 2014/15 financial year.
PR020	ICT Infrastructure Programme	James Nightingale	607	607	647	40	0	40	The 2014/15 programmed works were completed during the 2014/15 financial year. The expenditure variance is offset by external income received.
PR036	Additional Investment in Commercial Property Portfolio	Dave Prinsep	816	0	0	0	0	0	Programme deleted from the Capital Plan in January 2015 (Strategy & Resources Scrutiny Committee budget papers refer).
Total Programmes			1,752	936	853	(83)	98	15	
Total for Finance & Resources Portfolio			4,337	3,087	1,596	(1,491)	1,542	51	

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Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC586	Wide Area Network	T Allen	167	167	160	(7)	7	0	Project is on target for completion in the 2015/16 financial year.
SC555	Siemens Maintenance Contract	J James	2	2	2	0	0	0	Scheme completed.
SC587	Telephone Payments Upgrade & Online Payments Content Management System (CMS)	J James	17	17	1	(16)	16	0	Online payments installation was completed in March 2014. Telephone payments upgrade is scheduled to be completed in the 2015/16 financial year.
SC429	Telephony System Upgrade	J Nightingale	50	50	50	0	0	0	Scheme completed.
SC593	Keep Cambridge Moving Fund Contribution	S Payne	700	0	0	0	0	0	Scheme deleted from the Capital Plan in January 2015 (Strategy & Resources Scrutiny Committee budget papers refer).
Total Projects			936	236	213	(23)	23	0	

Total for Strategy & Transformation Portfolio	936	236	213	(23)	23	0
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- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

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2014/15 Housing Capital Investment Plan - HRA & General Fund Housing

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget
							2015/16 £000's	2016/17 £000's	2017/18 £000's	Post 2017/18 £000's	2015/16 £000's
General Fund Housing Capital Spend											
Investment in Non-HRA Affordable Housing	0	0	(174)	(174)	0	1	0	0	0	0	0
Other General Fund Housing	765	765	796	31	0	1	0	0	0	0	795
Total General Fund Housing Capital Spend	765	765	622	(143)	0		0	0	0	0	795
HRA Capital Spend											
Decent Homes Programme	9,278	8,552	7,733	(819)	969	2	867	0	0	102	8,625
Other Spend on HRA Stock	3,476	4,264	3,535	(729)	293	3	293	0	0	0	3,963
HRA New Build	15,937	21,684	11,947	(9,737)	9,387	4	9,387	0	0	0	23,382
Cambridge Standard Works	200	306	255	(51)	50	5	50	0	0	0	250
Sheltered Housing Capital Investment	1,900	1,900	29	(1,871)	1,871	6	0	1,871	0	0	1,900
Other HRA Capital Spend	745	1,249	283	(966)	651	7	651	0	0	0	1,004
Inflation Allowance	538	537	0	(537)	537	8	0	537	0	0	1,275
Total HRA Capital Spend	32,074	38,492	23,782	(14,710)	13,758		11,248	2,408	0	102	40,399
Total Housing Capital Spend	32,839	39,257	24,404	(14,853)	13,758		11,248	2,408	0	102	41,194
Housing Capital Resources											
Right to Buy Receipts (General Use)	(495)	(495)	(493)	2		9	0	0	0	0	(516)
Right to Buy Receipts (Retained for New Build / Acquisition)	(884)	(2,725)	(3,406)	(681)	(1,993)	9	(1,993)	0	0	0	(4,192)
Right to Buy Receipts (Debt Set-Aside)	0	0	(1,399)	(1,399)	0	9	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	(4,959)	(4,922)	(5,948)	(1,026)	0	10	0	0	0	0	(3,682)
MRA / MRR	(10,852)	(12,688)	(10,629)	2,059	(2,059)	11	(1,160)	(797)	0	(102)	(8,592)
Client Contributions	0	0	(412)	(412)	0	12	0	0	0	0	0
Direct Revenue Financing of Capital	(8,911)	(14,338)	(5,115)	9,223	(9,223)	13	(7,821)	(1,402)	0	0	(18,789)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments / R&R)	(1,767)	(1,628)	(1,556)	72	(274)	14	(274)	0	0	0	(845)
Developer's Contributions (Affordable Housing)	0	0	0	0	0		0	0	0	0	0
Prudential Borrowing	(4,468)	0	0	0	0		0	0	0	0	0
Total Housing Capital Resources	(32,336)	(36,796)	(28,958)	7,838	(13,549)		(11,248)	(2,199)	0	(102)	(36,616)
Net (Surplus) / Deficit of Resources	503	2,461	(4,554)	(7,015)			0	209	0	0	4,578
Capital Balances b/f	(16,536)	(16,536)	(16,536)								(8,634)
Use of / (Contribution to) Balances in Year	503	2,461	(4,554)								4,578
Set-aside for future Debt Redemption	2,600	2,600	3,999			9					
Ear-marked for specific Retained Right to Buy Receipts 1-4-1 Investment	5,783	5,783	8,457			9					
Residual capital resources remaining to fund future Housing Investment Programme	(7,650)	(5,692)	(8,634)								(4,056)

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	A refund of £174,000 of overpaid VAT in respect of the works to the Assessment Centre on East Road has been accounted for in 2014/15 following agreement with the contractor that this sum is due to the Council and there was no demand for the use of the £20,000 budget to tackle unfit housing in the private sector. These items were partially offset by a net overspend in respect of Disabled Facilities and Private Sector Grants of £51,000, which was more than offset by the receipt of contributions and grant repayments from clients, as detailed in note 12.
2	A net underspend of £819,000 in decent homes expenditure during 2014/15 relates predominantly to delivery of the Planned Maintenance Contract, where a change in contractor took place mid-year. Overspending in wall insulation (£189,000), heating and boilers (£14,000), doors (£25,000), windows (£38,000), health and safety works (£58,000), HHSRS (£17,000), damp works (£12,000) and the overheads cost centre which includes the financial impact of the outcome of the contract adjudication (£1,095,000) was more than offset by underspending in energy works (£7,000) re-roofing (£600,000) roof strengthening (£851,000), kitchens (£38,000), bathrooms (£228,000), external masonry decorating (£92,000), sulphate works (£102,000), chimneys (£102,000), smoke detectors (£16,000) re-wiring (£22,000), major voids (£146,000) wall structure work (£7,000) and fees and overheads (£66,000), where not all of the planned work was completed during 2014/15, and where re-phasing of resources is required to allow completion of the anticipated programme in later years. This includes re-phasing into 2015/16 in respect of re-roofing (£139,000), roof structure works (£500,000), bathrooms (£50,000), major voids (£60,000), re-wiring (£22,000), external masonry decorating (£89,000) and wall structures (£7,000). In respect of sulphate works, where work is only carried out when a property becomes void, re-phasing is requested to the end of the existing funding, which will be 2029/30.
3	A net underspend of £729,000 was evident in 2014/15, combining underspending in a number of areas where work is still required and funds will need to be re-phased into 2015/16, including; fencing (£127,000), fire safety works (£293,000, with £130,000 to be re-phased) and lifts (£36,000). Underspending also occurred in disabled adaptations (£12,000), fees (£18,000), asbestos removal (£136,000), garage improvements (£93,000), tenants incentive schemes (£18,000) communal area floor coverings (£84,000) and hard-surfacing works (£83,000), where no re-phasing is required. The communal areas uplift allocation was overspent by £129,000 and overheads by £6,000, but these costs were met from underspending elsewhere in the programme.
4	The underspend in the new build programme in 2014/15 relates to a combination of delays in the delivery of the programme, coupled with the timing of the spend in respect of the 146 new and re-development programme. A net resource of £9,387,000 is required to be re-phased into 2015/16 to ensure that contractual commitments can be met. The net re-phasing combines slippage of resource for Roman Court, Barnwell Road, Wadloes Road, Colville Road, Aylesborough Close, Atkins Close, Water Lane, Ekin Road, Hawkins Road, Fulbourn Road and in respect of the some of the market units being purchased on the new build sites. This is partially offset by use of resource for Campkin Road slightly ahead of profile against the latest capital plan. The profile of spending on all of these schemes will be reviewed again as part of the HRA Mid-Year Financial Review process.
5	Some of the projects identified as part of the City Homes estate Improvement Programme are yet to be completed and resources of £50,000 are requested to be carried forward into 2015/16 to allow these projects to take place.

6	Underspending of £1,871,000 in respect of the budget for work to re-develop Ditchburn Place is requested to be re-phased into 2016/17 to allow this scheme to be progressed in phases across 2 years from early 2016. This follows delays in the planning and design stage of the project, where the authority needs to ensure that it makes best use of the site given the proposed level of investment, the mixed use nature of the buildings as a whole and the involvement of third party partner organisations in the services provided there.
7	Funding to upgrade aspects of housing IT Systems has not been fully utilised in 2014.15, with a request to re-phase the underspend of £16,000 into 2015/16 to complete the implementation of the new asbestos management system. Resources of £160,000, from an underspend of £175,000 are requested to be rephased to complete the roofing work to HRA commercial premises in Campkin Road. The balance of funding for projects to introduce the Cambridge Public Sector IT Network (£29,000) and to upgrade the air cooling systems in housing administrative buildings (£11,000) is requested as a carry forward into 2015/16 to allow completion of both projects. The remaining allocation from 2014/15 for buying back ex-Council dwellings of £435,000 is also requested as a carry forward, to allow the authority to proceed with acquisitions to ensure appropriate utilisation of retained right to buy receipts, which need 70% match funding.
8	The sum of money set-aside in 2014/15 to meet the costs of inflation in the capital programme will need to be re-phased into 2015/16 and 2016/17 to meet the additional costs anticipated for the Ditchburn Place project, where the initial budget provision made in 2011/12 will need to be inflated to current price levels.
9	51 properties were sold in total during 2014/15. £493,000 of the capital receipt is available for general use, while £1,399,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £3,406,000 of right to buy receipts have been retained by the local authority in 2014/15, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame. The authority is required to invest a significant sum during 2015/16 to ensure that it meets its responsibilities under the retention agreement, and this may mean the acquisition of dwellings on the open market if some of the new build schemes meet with delays.
10	Capital receipts totalling £5,948,000 in respect of the value of land transfer for the market housing at the new build / re-development sites which had progressed during the year to the point at which the expenditure incurred by the developer in respect of the affordable housing element of the site exceeded the value of the land, were accounted for in 2014/15. These receipts have been used to finance some of the spend in respect of the affordable housing on the same sites.
11	Slippage in the decent homes and other investment in the housing stock in 2014/15 resulted in a lower than anticipated call on the use of funding from the major repairs reserve for the year. The balance of use of the reserve (£2,059,000) will need to re-phased in line with the expenditure to ensure that sufficient resource is available to finance the expenditure at each year end.
12	Income was recovered from leaseholders in 2014/15 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£313,000) and was also received from private residents in relation to contributions towards, or repayments of, private sector housing repair grants (£81,000). £18,000 compensation was received from the new build contractor towards unanticipated costs associated with one of the re-development sites.
13	Due to slippage in the housing capital plan in 2014/15, the use of revenue funding for capital purposes was significantly less than anticipated. A request to increase the use of revenue funding of capital expenditure in 2015/16 and 2016/17 by the £9,223,000 funding not utilised in 2014/15, will ensure that there is sufficient funding to meet the re-phased expenditure requested above.
14	Homes and Communities Agency and Area Committee Grant of £782,000 was received in 2014/15 for 5 schemes which started on site or reached completion. An additional £274,000 is anticipated for schemes which were expected to complete during the year, but which have been delayed until early 2015/16, the point at which this resource is now anticipated to be received.



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

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources
13/7/2015
Scrutiny Committee

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

REVIEW OF CAPITAL PLAN PROCESSES AND PROCEDURES-PHASE 2

Key Decision

1. Executive summary

Mid-year Financial Review (MFR) 2014 and Budget Setting Report (BSR) 2015 highlights the need to improve existing capital plan processes.

This report builds on Phase 1 of the review of the capital plan which examined existing projects in order to release internal funding (e.g. Direct Revenue Funding (DRF), R&R, capital receipts etc.). It also identified projects that were not ready for delivery, no longer required, or were not true capital projects. Projects not ready for delivery were placed on a new Projects Under Development (PUD) list and will be brought forward for prioritisation against available funding when a business case and delivery plan has been developed.

Phase 2 of the review proposes detailed changes to the process whereby new projects come forward and existing projects move from the PUD list for approval and inclusion on the General Fund capital plan.

2. Recommendations

The Executive Councillor is recommended:

- to approve the establishment of a Capital Programme Board (CPB) officer group, to be convened by the Head of Finance (HoF) with delegated

authority to approve project appraisals (full business case) for capital projects up to £300k, subject to changes to the Council's existing delegations (see Appendix A)

- to approve the changes identified in Appendices B and C for 'other' capital approval processes

- to recommend Council to 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.

- to approve the appointment of a capital accountant/programme manager, funded from existing resources, to implement the proposed changes detailed in this report.

- to recommend Council to 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.

3. Background

3.1 As part of the MFR 2014 the HoF proposed a review of the capital plan to address its size and complexity. A number of concerns were identified, including the:

- Capacity to deliver projects to time, cost and quality;
- Dependency on revenue funding; and
- Inclusion of items, such as unallocated funds, projects at an early stage of development, and items more properly treated as small enhancements or maintenance spend.

3.2 There was a further commitment in the BSR 2015 to develop the work started within Phase 1 of the review, which examined existing projects in the General Fund capital plan and moved certain projects onto a Projects Under Development (PUD) list, where they could be brought forward for funding once properly developed.

Method

3.3 As part of Phase 2 of the review, two officer groups were set up to consider the current process. The first was a technical group, with input from accountancy, internal audit and procurement and the second, key stakeholders, including the Head of Finance. A number

of similar issues appeared across both groups and these helped shape the new process.

- 3.4 A number of variations to the main capital approval processes were recognised, such as s106 devolved decision making, the Housing capital plan and capital programmes such as the Environmental Improvements Programme (EIP).

Further discussion with officers involved in the other capital approval processes is summarised with recommendations in Appendices B and C.

- 3.5 The review identified two key stages within the current capital process:
- 1 Funding allocated to the project (approval by Council of capital plan at BSR/MFR)
 - 2 Project ready for delivery (approval of project appraisal by relevant scrutiny committee)

Overview of proposed changes

- 3.6 The review recommends reversal of these stages:
- 1 Is the project properly planned and developed? How does the project score when prioritised? (approval by CPB)
 - 2 Do we have funding available? (approval by Council of capital plan at BSR/MFR, within capital funding available and with consideration of prioritisation score in relation to other projects also requiring funding)

The revised process reflects the reductions in levels of capital funding and therefore the need to allocate funding based on recommended prioritisation and political consideration.

- 3.7 Phase 2 looked at these two stages in more detail and considered a capital project 'journey' from initiation; outline business case (with prioritisation scoring-as used in Phase 1 and any request for feasibility funding), onto the PUD list, full business case, request for funding and eventual approval on to the Capital Plan (see Appendix D).
- 3.8 As a minimum, officers are expected to discuss projects at the outline business case stage with relevant Ward and Executive Councillors. In practice, it is likely that many projects will be developed jointly by Members and officers working together, as is currently the case.

Project managers are expected to evidence Member sign off at outline business case stage. The CPB will ensure that this is the case. A similar sign-off is also expected once a full business case has been sufficiently developed.

- 3.9 Any public consultation required to develop a project should take place after the outline business case has been agreed and in time to inform the full business case decision.
- 3.10 Projects over £300k in value will require the full business case be considered at the same time as relevant scrutiny committees are reviewing items for MFR or BSR.
- 3.11 There are no proposed changes to the existing Member approvals for the EIP and s106 processes, as the local accountability of Area Committees is consistent with the local nature of these projects.

Detailed changes proposed

- 3.12 Following the officer group consultation, a number of significant changes are proposed (see Appendix D) and include:

- 3.12.1 Establish a Capital Programme Board (CPB) officer group, with delegated authority to approve project appraisals (full business case) for capital projects up to £300k; with project appraisals (full business case) for projects above £300k considered at Scrutiny Committee. The approval from the CPB is that of quality assurance, to ensure that risks, deliverability and prioritisation have all been properly considered.

This would align delegated procurement authority and committee key decisions at the same value (£300k). The process of outline and full business cases also aligns with the Council's Corporate Project Management guidance.

- 3.12.2 The financial approval of capital projects would remain with Council, twice a year at MFR (October) and BSR (February) (see Appendix E). This would ensure that any projects with revenue consequences could also be properly considered. The option of taking urgent decisions outside of these committee cycles would remain.

Using existing frameworks for the MFR and BSR, allows officers, in consultation with Members, the opportunity to forward plan capital projects, so decisions and approvals for

outline and full business cases can be made at the appropriate time to feed into those processes.

This will also allow wider decisions regarding the resource required to fund new capital projects to be considered at the MFR and BSR.

- 3.12.3 Setting up a feasibility budget to pump prime initial explorations for significant value/impact capital projects, and delegate authority for allocation of these funds to the CPB in conjunction with S151 officer. The funding for this would come from top-slicing the net capital funding available. BSR 2015 identifies £712,000 net funding available in 2015/16, so the proposed 5% allocation for feasibility is £35,600. In future years the recommendation for feasibility funding will be incorporated into the BSR.
- 3.12.4 Establish a capital programme manager role (with capital accounting expertise to also perform capital accounting tasks currently being covered by other accountants) to service and coordinate the CPB and the individual project managers in developing and progressing new proposals.
- 3.12.5 Projects added to the capital plan as part of BSR 2015 or before will not currently have a full business case. If delivery of these projects has not started, they will be required to produce a full business case by 30 November 2015 or they will be moved to the PUD list and any approved funding withdrawn as part of BSR 2016. This will reinforce the outcomes of Phase 1 and ensure the capital plan only has projects that are deliverable.
- 3.12.6 The proposed changes to the capital process require amendments to existing Financial delegations and are recommended for approval as part of this report (shown as Track Changes in Appendix A). These amendments have been discussed and agreed with the Head of Legal Services.
- 3.12.7 The project brief confirmed that the financial monitoring of the capital plan was outside the scope of the review. However, work identified in Phase 1 and also recommended in this report will ensure that projects that are approved for inclusion on the General Fund capital plan are 'ready to be delivered', subject to any specific procurement requirements.

4. Implications

(a) **Financial Implications**

These are contained within the report. There may be a need for resource to improve and streamline existing documentation and processes; however this is yet to be assessed.

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

This report recommends that a programme manager would be required to fully implement the outlined changes. It is expected the post will be funded from existing resources and would also be responsible for capital accounting tasks.

(c) **Equality and Poverty Implications**

There are no equality or poverty implications for this report as it relates to internal administrative processes, applicable to all capital projects. Individual capital projects may have equality and poverty implications, but these would be addressed within the planning processes of each project.

(d) **Environmental Implications**

Nil

As part of this section, assign a climate change rating to your recommendation(s) or proposals. You should rate the impact as either:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

Follow the guidance on the intranet at <http://intranet/sustainability/policies-and-procedures.html>

(e) **Procurement**

None directly. However, this review looks to align the delegated authority of the Capital Programme Board with the procurement authority delegated to Directors (£300k).

(f) **Consultation and communication**

As part of the review two internal officer groups have been consulted (Technical and Stakeholder) which have helped inform the recommendations.

There will be need to feedback the outcome of the decision to approve this report with both officers and Members, including updating the Council's intranet, offer officer training and updating existing documentation and processes

(g) Community Safety

Not Applicable

5. Background papers

None.

6. Appendices

Appendix A - Amendments to Financial Delegations

Appendix B - Analysis of other capital approval processes - General Fund

Appendix C - Analysis of other capital approval processes - Housing

Appendix D - Process Chart

Appendix E - Swim Lane Chart

7. Inspection of papers

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

Author's Name: Richard Wesbroom
Author's Phone Number: 01223 - 458148
Author's Email: @cambridge.gov.uk

3.1 Financial Matters

a) Spending money from revenue budgets

To incur expenditure on any item for which provision is made in the appropriate approved revenue budget provided that:

- in the case of grants to outside bodies, the approval of the relevant Executive Councillor is obtained for grants over £1,000. (Any grant made under this delegated power must be reported to the next meeting of the relevant scrutiny committee.)
- any action taken complies with any relevant legislative provisions; the terms of any relevant agency agreement; and the requirements of the Council's Constitution (or, where necessary under the terms of an agency agreement, the Constitution of another authority).

b) Proceeding with capital schemes

To proceed with all necessary steps to achieve the completion of capital schemes for which provision has been made in the approved Capital Plan or the Housing [Capital Investment Plan](#) Programme of Work, provided that the approvals required by paragraph c) below have been obtained and the requirements of the Constitution and any relevant legislation are complied with.

c) Approvals needed for new capital ~~schemes~~[projects](#)

Subject to Section 3.1A, in the case of new capital ~~schemes~~[projects](#) the following approvals (together with approval to the necessary budget provision) must be obtained before any scheme may proceed.

- For [schemes projects](#) where the estimated cost is £15,000 and below and has identified capital funding: once included in the capital plan schemes may proceed without scrutiny committee consideration, provided that relevant Ward Councillors, have been consulted, where appropriate.
- ~~For schemes where the estimated total cost is over £15,000 and up to £75,000: a capital project appraisal and procurement report pro-forma must be completed and referred to the relevant Executive Councillor for approval. The schemes may then proceed without scrutiny committee consideration, provided relevant Ward Councillors have been consulted, where appropriate.~~
- ~~For schemes where the estimated total cost is over £75,000: a capital project appraisal and procurement report pro-forma must be completed for consideration by the relevant scrutiny committee and referral to the relevant Executive Councillor for approval.~~

Appendix A – Amendments to Financial Delegations

- For projects where the estimated total cost is over £15,000 and up to £300,000: a full business case report must be completed and referred to the Capital Programme Board for approval.
- For projects where the estimated total cost is over £300,000: a full business case report must be completed and referred to the Capital Programme Board for consideration and then the relevant scrutiny committee and referral to the relevant Executive Councillor for approval.

3.1A

In the case of new capital ~~schemes~~projects, responsibility for which has been delegated to Area Committees by the Executive, the following approvals (together with approval to the necessary budget provision) must be obtained before any scheme may proceed.

• **For schemes where the estimated cost is £15,000 and below:** once included in the Area Committee's programme, may proceed without further committee consideration, provided that relevant Ward Councillors are always consulted.

• **For schemes where the estimated total cost is over £15,000 and up to £75,000:** a ~~capital project appraisal and procurement report pro forma~~ full business case report must be completed and referred to the relevant Area Committee Chair, Vice Chair and Opposition Spokes for approval. The schemes may then proceed without Area Committee consideration, provided that relevant Ward Councillors are always consulted.

• **For schemes where the estimated total cost is over £75,000:** a ~~capital project appraisal and procurement report pro forma~~ full business case report must be completed for consideration and approval by the relevant Area Committee.

d) Approval of capital programme bids

The appropriate lead officers are authorised to approve bids of £15,000 and below to be met from the capital programme remits established by the Council provided that the bids meet the agreed remits, objectives and criteria of the programme area concerned.

e) Use of ~~the repairs and renewals funds~~ and maintenance provision

In consultation with the ~~Director of Resources~~Head of Finance, to use ~~the Repairs, and Renewals funds and Maintenance Provision~~ for the replacement or repair of existing plant, vehicles or equipment (or other asset for which payments have been made into the fund) provided that:

- the plant, vehicles, equipment (or other asset) concerned has reached the end of its operational life; and

Appendix A – Amendments to Financial Delegations

- the repair or replacement is to a current reasonable specification; and
- appropriate payments have been made into the Repairs and Renewals provision; and
- provision has been included in the Capital Plan, in the case of proposals which the ~~Director of Resources~~ Head of Finance regards as falling within the definition of capital expenditure. [In such cases current requirements for the approval of capital expenditure would apply.]

In consultation with the ~~Director of Resources~~ Head of Finance, to use the Repairs, ~~and~~ Renewal ~~funds and Maintenance provision~~ for proposals costing £15,000 and below, where at least 50% of the cost is for genuine replacement and repair and the remainder (less than 50%) is for some improvement or enhancement.

f) Acceptance of quotations and tenders

To accept quotations or tenders for work, supplies or services subject to compliance with the Council's Contract Procedure Rules

g) Lists of approved contractors

To compile, approve, or vary lists of approved contractors, subject to the requirements of the Council's Contract Procedure Rules.

h) Virement

To carry out virement of sums between cost centres in accordance with the Council's Financial Procedure Rules.

i) Setting charges

To set or revise charges made for goods or services provided by the Council within any guidelines approved by the Executive.

j) Waiving or reducing charges

To waive or reduce charges for goods or services provided by the Council up to £100. For sums above that limit the current arrangements for writing off bad debts should apply. The appropriate Executive Councillor and spokesperson/s of the relevant scrutiny committee should be consulted where a significant precedent or departure from existing policies would be involved.

k) Writing off bad debts

The Director of Resources and the Director of Customer and Community Services may write off bad debts as irrecoverable in accordance with the following table, and subject to the limits and approvals shown:

HRA debt*

Other Debts

Appendix A – Amendments to Financial Delegations

	£	£
Director of Customer and Community Services	up to £500	
Director of Resources	£501 to £1,000	up to £1,000
Director of Resources in consultation with Executive Councillor (Housing)	£1,001 to £2,000	
Director of Resources in consultation with Executive Councillor (Customer Services and Resources)		£1,001 to £2,000
Scrutiny Committee (Community Services) & Executive Councillor	£2,001 & above	
Scrutiny Committee (Strategy and Resources) & Executive Councillor		£2,001 & above

* excluding Sundry Debtors Accounts

Appendix B – Analysis of other capital approval processes – General Fund

Page 350

Description	Funded from	Capital Plan focuses on	Existing decision-making arrangements	Recommendations
Environmental Improvements Programme (EIP)	Reserves	Overall programme (funding approved)	Decision-making devolved to Area Committees (ACs) Outline business concepts considered & reviewed by ACs	Only projects >£75k reviewed by CPB
Cycleways	Reserves/ County Council contribution.	Overall programme (funding approved)	Can involve joint decision-making with the County	All projects within this programme follow new process
Climate Change Fund (CCF) (5-year plan covering 2016/17 to 2020/21)	Earmarked Reserve	Approved projects	Funding decisions approved via Carbon Management Plan, requires Scrutiny Cttee/Exec Cllr for Finance & Resources approval	Full Business Case >£15k <=£300k and where 100% CCF, approved at CPB then onto Capital Plan (as funding already approved). Where mix of CCF and use of reserves, Council approval required to get onto Capital Plan
Sharing Prosperity Fund (SPF)	Earmarked Reserve	Approved projects	Funding decisions approved by Anti-Poverty Strategy Project Board/Exec Cllr for Finance & Resources	Full Business Case >£15k <=£300k and where 100% SPF, approved at CPB then onto Capital Plan (as funding already approved) Where mix of SPF and use of reserves, Council approval required to get onto Capital Plan

Description	Funded from	Capital Plan focuses on	Existing decision-making arrangements	Recommendations
S106 developer contributions	Generic, off-site S106 contributions (agreed before 6/4/2015) ^A	Approved projects	<p>Depends of contribution type and scale of development:</p> <p>Area committees prioritise local project proposals using devolved S106 funding relating to community facilities, informal open space, play provision and outdoor sports contribution types.</p> <p>Relevant executive councillors prioritise city-wide/strategic projects using (as appropriate) contributions that are not devolved (eg, all indoor sport, public art & public realm contributions and half the contributions from major developments for community facilities, informal open space, play provision & outdoor sports).</p>	<p>S106 priority-setting will continue to be based on reports to area/scrutiny committees, as appropriate (instead of outline business cases). The priorities identified will be added to the PUD List and the S106 funding needed will be provisionally allocated.</p> <p>Full business cases will be developed for consideration by CPB then Members: projects >£75k will be considered by the appropriate area/scrutiny committee. There will continue to be expedited arrangements (eg, for area chairs/exec councillors and opposition spokes) to sign off projects <£75k.^B Ward Members will be consulted on projects relating to their wards as part of the development of the FBC.</p>

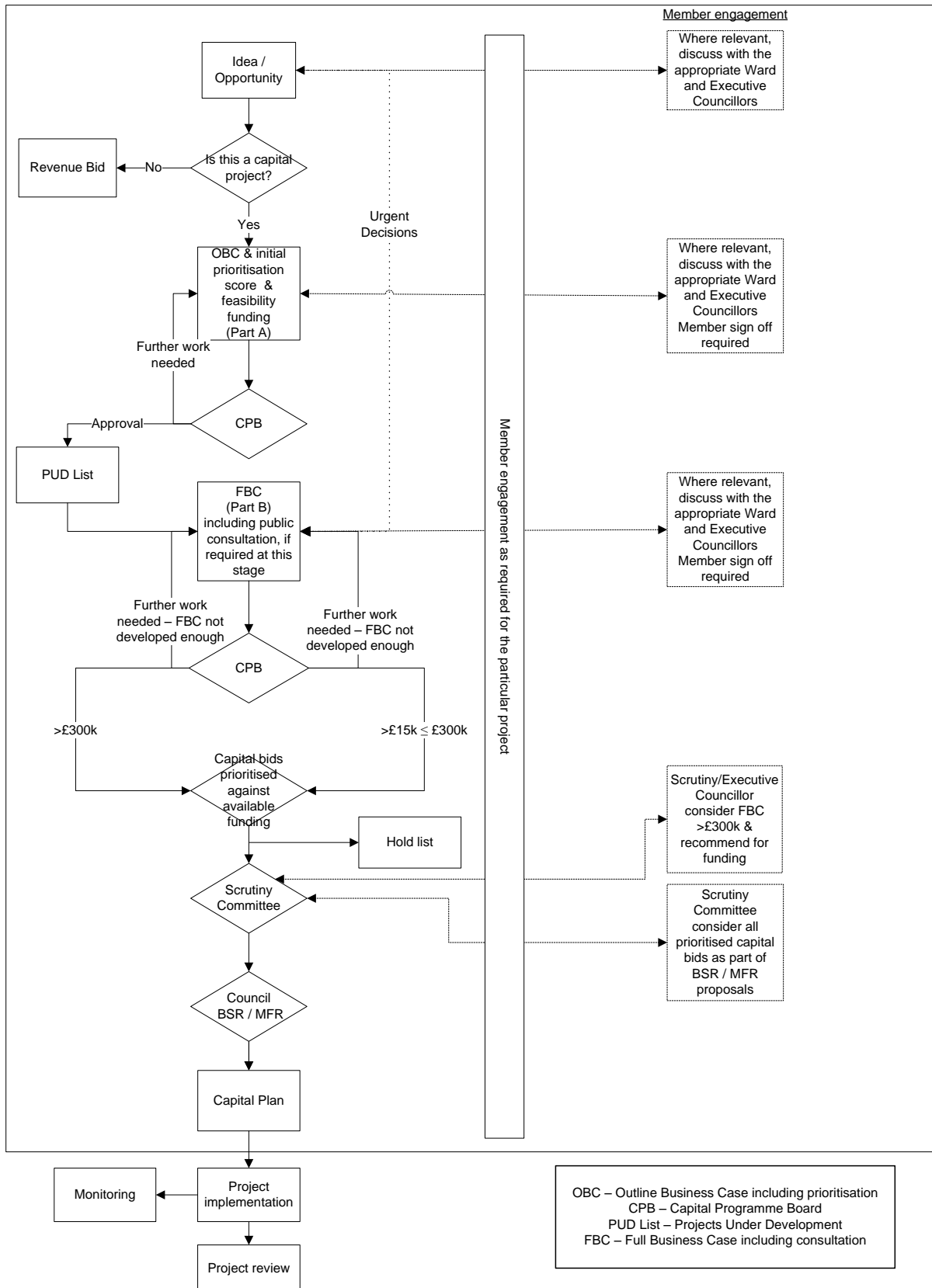
- A. Where S106 agreements identify contributions for specific purposes, these projects will be added to the PUD List once contributions are received. Full business cases will be reported to CPB in due course, incorporating consultation with local Members. Such projects will be deemed Capital Plan-ready (so they can be implemented) once CPB has approved the FBC: they will be added to the Capital Plan when it is next updated.
- B. For local & city-wide/strategic projects arising from S106 priority-setting, projects will be deemed Capital Plan-ready (so they can be implemented) once the FBC has been approved at Member-level. They will be added to the Capital Plan when it is next updated.

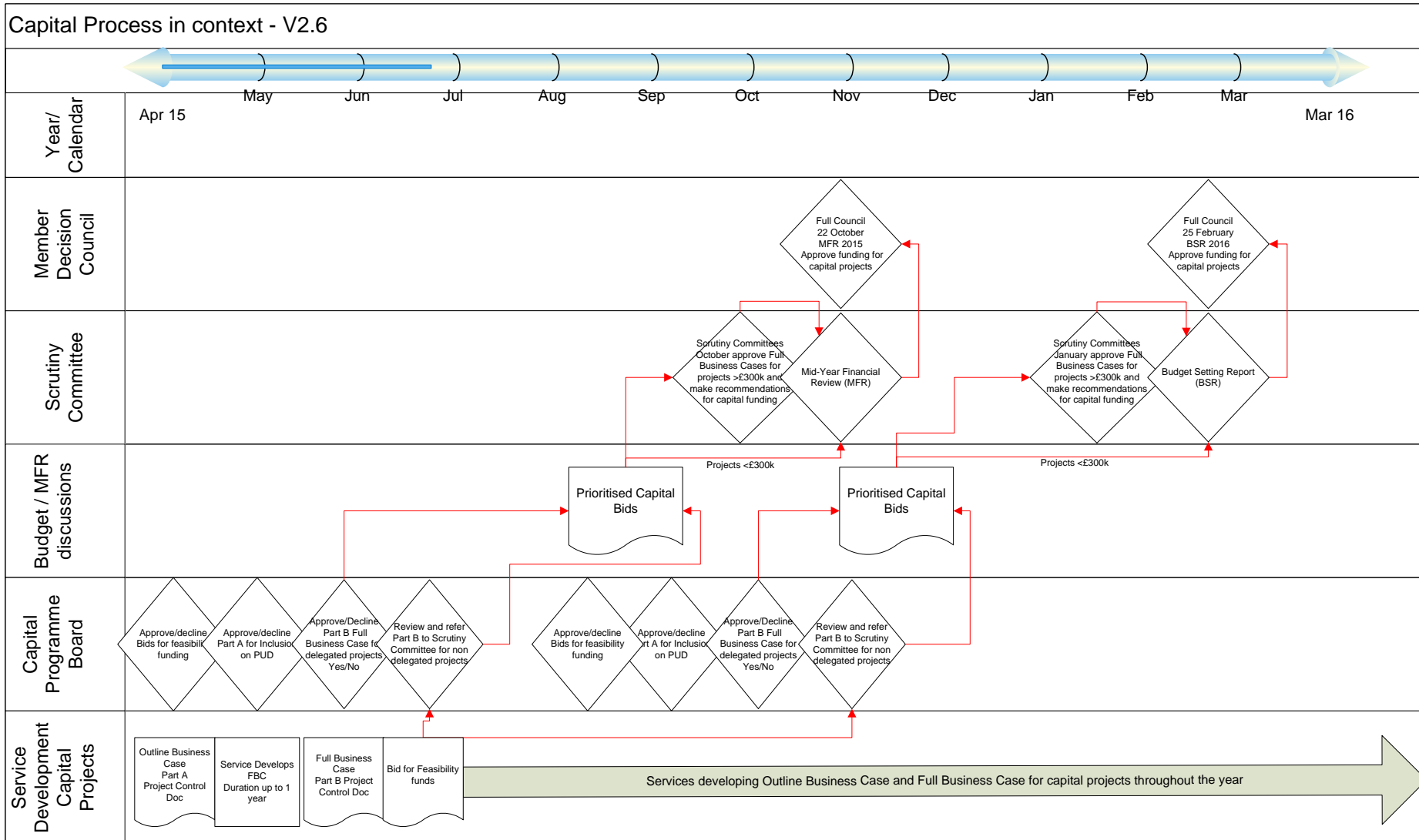
Appendix C – Analysis of other capital approval processes – Housing

Description	Description	Capital Plan focuses on	Existing decision-making arrangements	Recommendations
General Fund Housing (Programme)	Disabled Facilities Grants, Private Sector Grants and Loans	Overall programme (funding approved)	Agreed at Housing Scrutiny Committee (HSC) as part of HRA Budget Setting Report (BSR) or HRA Mid-Year Financial Review (MFR) and approved at Council.	Retain existing approval process
General Fund Housing (Programme)	Single projects' ie; Assessment Centre	Approved projects	Agreed at Housing Scrutiny Committee (HSC) as part of HRA Budget Setting Report (BSR) or HRA Mid-Year Financial Review (MFR) and approved at Council.	Proposals to be presented to HMT and Capital Programme Board prior to decision making process
Decent Homes	Kitchens, Bathrooms, Roofs, etc	Overall programme (funding approved)	Agreed at HSC as part of HRA BSR or HRA MFR and approved at Council. Major voids (over £30k) business case considered by Housing Management Team (HMT) and approved by Executive Councillor for Housing	Retain existing approval process
Other Spend on HRA Stock	Garages, Asbestos Removal, Disabled Adaptations, etc	Overall programme (funding approved)	Agreed at HSC as part of HRA BSR or HRA MFR and approved at Council. Major garage refurbishments business cases considered by HMT and approved by Executive	Retain existing approval process

Description	Description	Capital Plan focuses on	Existing decision-making arrangements	Recommendations
			Councillor for Housing	
New Build / Redevelopment	New Homes, Re-Provision of Existing Homes	Overall programme (funding approved)	3 Year Affordable Housing Programme agreed at HSC for sites to be investigated. HSC consider each scheme at outline stage (pre-planning) and approve in principle. Scheme is either delivered within this outline approval, or brought back to HSC for amendments throughout the process as required	Scheme specific proposals to be presented to HMT prior to decision making process
Acquisitions	Acquisition of existing dwellings on the open market for use for social housing	Approved projects	Business cases prepared, considered by HMT, with decision delegated to Director of Customer & Community Services in consultation with Executive Cllr for Housing	Business case to be circulated by e-mail to HMT and Capital Programme Board prior to delegated decision
Disposals	Disposal of HRA dwellings on the open market	Approved projects	Business cases prepared, considered by HMT, with urgent decision taken by Executive Cllr for Housing	Business case to be circulated by e-mail to HMT and Capital Programme Board prior to urgent decision
City Homes Estate Improvement	Environmental and Estate Improvements	Overall programme (funding)	HMT and then HSC consider annual programme of works	Retain existing approval process unless individual project is over £75k, when HMT and Capital

Description	Description	Capital Plan focuses on	Existing decision-making arrangements	Recommendations
Programme		approved)		Programme Board consideration is required
Sheltered Housing	Scheme Refurbishments, ie Ditchburn Place	Approved projects	HMT and then HSC consider specific report for each scheme proposal	Proposals to be presented to HMT and Capital Programme Board prior to decision making process
Other Capital Spend (1)	IT, Corporate Projects,	Approved projects	IT and corporate projects subject to specific reports where values dictate this	Proposals to be presented to HMT and Capital Programme Board prior to decision making process
Other Capital Spend (2)	Shared Ownership Re-Purchases	Overall programme (funding approved)	Delegation to officers to buy back and sell on shared ownership dwellings.	Retain existing approval process







To: The Executive Councillor for Finance & Resources:
Report by: Head of Finance (The Council's Section 151 Officer)
Relevant scrutiny committee: Strategy & Resources 13/7/2015
Scrutiny Committee
Wards affected: All Wards

ANNUAL TREASURY MANAGEMENT (OUTTURN) REPORT 2014/15

Key Decision

1. Executive summary

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.
- 1.2 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) in respect of 2014/15.
- 1.3 During 2014/15 the minimum requirements were that Council should receive:-
 - An annual strategy in advance of the year
 - A mid-year treasury update report
 - An annual review following the end of the year describing the activity compared to the strategy (this report)
- 1.4 In line with the above 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 actual Prudential and Treasury Indicators for 2014/15.

2.2 The Executive Councillor is also asked to recommend to Council changes (shown in bold) to our Counterparty List as highlighted within Appendix D.

3. Background

3.1 This report summarises:

- Capital expenditure and financing activity during the year;
- The impact of capital spending on the Council's 'need to borrow';
- The Council's compliance with prudential & treasury indicators;
- Treasury Management Position as at 31st March 2015 (Appendix A);
- The Council's Treasury Management advisors (Capita Treasury Solutions Ltd) view on UK Interest & Investment rates (Appendix B);
- The actual prudential and treasury indicators (Appendix C);
- Counterparty List (Appendix D); and;
- A Glossary of Terms and Abbreviations (Appendix E)

3.2 The Council's Capital Expenditure and Financing 2014/15

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.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2013/14 £'000 Actual	2014/15 £'000 Original Estimate *	2014/15 £'000 Actual
Non-HRA capital expenditure	7,425	18,199	7,162
HRA capital expenditure	16,675	32,839	23,402
Total capital expenditure	24,100	51,038	30,564
Resourced by:			
• Capital receipts	-3,413	-6,405	-7,178
• Other contributions	-20,384	-37,360	-23,182
Total available resources for financing capital expenditure	-23,797	-43,765	-30,360
Un-financed capital expenditure	303	7,273**	204

* Per Budget Setting Report (BSR) agreed by Council on 27th February 2014

** £2,804m (Clay Farm Community Centre) & £4,469m (Affordable Housing Projects)

3.3 The Council's overall borrowing need

During 2014/15, there was no requirement for external borrowing. Un-financed capital expenditure for the Clay Farm Collaboration Agreement of £204,000 shown above, was met temporarily from internal cash borrowing, until the expected future capital receipt is received.

3.4 Current Debt as at 31st March 2015

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

	Principal (£'000)
Authorised Borrowing Limit (A) – Agreed by Council on 20 th October 2011	250,000
HRA Debt Limit (B)	230,839
PWLB 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, 2013/14 and 2014/15 External Borrowing	NIL
Total Current Headroom (A minus C)	36,428

At present the only debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA.

3.5 Treasury Position as at 31 March 2015

The Council's debt and deposit position is managed in order to ensure adequate liquidity for revenue and capital activities, security for deposits and to manage risk in relation to all treasury management activities. Procedures and controls to achieve these objectives are well established both through the application of approved Treasury Management Practices and regular reporting to Members.

All funds are internally managed.

The tables below provide a comparison of deposit activity and outturn for 2014/15 against 2013/14.

<u>Actual Returns</u>	2013/2014		2014/2015	
	Average Deposits (£m)	Average Rate of Return	Average Deposits (£m)	Average Rate of Return
Fixed Short-Term (<365 days)	49.21	0.64%	60.23	0.70%
Call/Overnight Accounts	33.99	0.64%	32.79	0.57%
Fixed Long-Term (>365 days)	0.65	1.09%	5.38	1.06%
Money Market Funds	-	-	5.18	0.47%
CCLA Local Authorities' Property Fund	-	-	1.62	4.75%
<u>Overall Deposit Return</u>	83.85	0.64%	105.20	0.73%
<u>Benchmark Returns</u>	2013/2014		2014/2015	
	Offer (LIBOR)	Bid (LIBID)	Offer (LIBOR)	Bid (LIBID)
Average	0.57%	0.45%	0.61%	0.49%

Notes:

The 'Benchmark Return' figures are based upon Global Rates (national interest rate reporting web-site) average money market LIBOR and LIBID rates for periods between 1 night and 1 year as at 31st March 2015.

The use of new financial instruments to the Council, such as Money Market Funds as an alternative to the HSBC overnight deposit account for larger sums, and the CCLA Local Authorities' Property Fund, contributed to obtaining a higher yield in 2014/15 than in 2013/14.

- 3.6 Total interest and dividends of £758,000 has been earned on the Council's deposits during 2014/15 at an average rate of 0.73%. This exceeded the budget of £688,000. The rate of return compares favourably with the average benchmark rates.
- 3.7 The Council deposited £10m with the CCLA Local Authorities' Property Fund on 29th January 2015. The interest earned for 2014/15 amounted to £75,000 (included in paragraph 3.6) which equated to an annual yield of 4.75% on the original deposit.
- 3.8 A summary of deposits is shown at Appendix A.

4. Interest Rate Update

- 4.1 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 market interest & investment rates for the Council. Capita's opinion is presented at Appendix B, and provides an overview as at 31st March 2015.
- 4.2 The Bank of England's May 2015 Inflation Report gives additional information on growth, inflation and interest rates. The Bank of England Monetary Policy Committee (MPC) noted that the outlook for growth remains solid. Household real incomes have been boosted by the fall in food, energy (including oil prices) and imported goods prices. The absorption in remaining slack and a pick-up in productivity growth are expected to support wage growth in the period ahead.

CPI inflation was 0.0% in March 2015 and this continued to impact on the annual rate. Inflation is likely to rise notably around the turn of the year as those factors begin to drop out. The MPC judges that it is currently appropriate to set policy so that inflation will return to the 2% target within 2 years.

5. Prudential and Treasury Indicators

- 5.1 During the financial year the Council operated within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy

Statement. The outturn for Prudential and Treasury Indicators is shown in Appendix C.

6. Revisions to the Counterparty List

- 6.1 Following a review of rating agency methodology changes, Capita continues to revise its recommendations on counterparties and appropriate durations.
- 6.2 To keep up to date with these changes, it is recommended that our counterparty list is amended in line with the above changes to include any UK Banking Institutions that meet Capita's criteria. These are shown within Appendix D.

7. Implications

(a) Financial Implications

Interest payable and receivable are reflected in the Council's existing budgets and reviewed appropriately.

(b) Staffing Implications

None.

(c) Equality & 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.

8. Background papers

8.1 None.

9. Appendices

- 9.1 Appendix A – The Council's deposits as at 31st March 2015
Appendix B – Capita's opinion on UK interest rates
Appendix C – Prudential Indicators – outturn for 2014/15
Appendix D – Current Counterparty List showing any changes
Appendix E – Glossary of Terms and Abbreviations

10. Inspection of papers

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

Author's Name:
Author's Tel. No.
Author's Email:

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TREASURY MANAGEMENT POSITION AS AT 31st March 2015

CURRENT DEPOSITS

The Council's current deposits are summarised (by counterparty) in the table below.

Counterparty	% Rate	Duration	Principal (£'000)
Fixed Term Deposits			
Bank of Scotland Plc	1.00	1 year	3,000
Bank of Scotland Plc	1.00	1 year	3,000
Bank of Scotland Plc	1.00	1 year	2,000
Bank of Scotland Plc	1.00	1 year	2,000
Bank of Scotland Plc	1.00	1 year	2,000
Bank of Scotland Plc	1.00	1 year	3,000
Lloyds TSB Bank Plc	1.00	1 year	3,000
Lloyds TSB Bank Plc	1.00	1 year	2,500
Lloyds TSB Bank Plc	1.00	1 year	2,500
Lloyds TSB Bank Plc	1.00	1 year	1,000
Lloyds TSB Bank Plc	0.80	9 months	3,000
Lloyds TSB Bank Plc	0.70	6 months	3,000
Nationwide BS	0.66	6 months	1,000
Nationwide BS	0.66	6 months	2,000
Nationwide BS	0.66	6 months	1,500
Nationwide BS	0.66	6 months	2,000
Nationwide BS	0.66	6 months	1,000
Nationwide BS	0.66	6 months	3,000
Nationwide BS	0.61	6 months	500
The Royal Bank of Scotland	0.91	1 year	5,000
The Royal Bank of Scotland	0.86	1 year	5,000
Standard Chartered Bank	0.66	6 months	7,000
Newport City Council	1.10	28 months	3,000
Newport City Council	1.00	28 months	3,000
Cheshire West & Cheshire Council	1.15	2 years	2,000
Thurrock Borough Council	0.50	4 months	5,000
Wolverhampton City Council	1.00	18 months	3,000
Total Fixed Term Deposits			74,000
Variable Rate Notice Accounts			
Barclays Bank Plc	0.66369	100 Day Notice	18,000
HSBC Bank Plc	0.35	Same Day Notice	900
CCLA Local Authorities' Property Fund	Variable dividend	5 years	10,000
Ignis Sterling Liquidity Fund (Class 2)	0.47074	Same Day Notice	5,500
Total Variable Rate Notice Accounts			34,400
TOTAL	-	-	108,400

The above deposits include any forward-deals or forward-renewals that have been agreed (i.e. where the deposit/renewal will take place at a future date).

CAPITA'S OPINION ON UK INTEREST & INVESTMENT RATES AS AT 31ST MARCH 2015

The original market expectation at the beginning of 2014/15 was for the first increase in Bank Rate to occur in quarter 1 2015 as the unemployment rate had fallen much faster than expected through the Bank of England's initial forward guidance target of 7%. In May, however, the Bank revised its forward guidance. A combination of very weak pay rises and inflation above the rate of pay rises meant that consumer disposable income was still being eroded and in August the Bank halved its forecast for pay inflation in 2014 from 2.5% to 1.25%. Expectations for the first increase in Bank Rate therefore started to recede as growth was still heavily dependent on buoyant consumer demand. During the second half of 2014 financial markets were caught out by a halving of the oil price and the collapse of the peg between the Swiss franc and the euro. Fears also increased considerably that the ECB was going to do too little too late to ward off the threat of deflation and recession in the Eurozone. In mid-October, financial markets had a major panic for about a week. By the end of 2014, it was clear that inflation in the UK was going to head towards zero in 2015 and possibly even turn negative. In turn, this made it clear that the MPC would have great difficulty in starting to raise Bank Rate in 2015 while inflation was around zero and so market expectations for the first increase receded back to around quarter 3 of 2016.

Gilt yields were on a falling trend for much of the last eight months of 2014/15 but were then pulled in different directions by increasing fears after the anti-austerity parties won power in Greece in January; developments since then have increased fears that Greece could be heading for an exit from the euro. While the direct effects of this would be manageable by the EU and ECB, it is very hard to quantify quite what the potential knock on effects would be on other countries in the Eurozone once the so called impossibility of a country leaving the EZ had been disproved. Another downward pressure on gilt yields was the announcement in January that the ECB would start a major programme of quantitative easing, purchasing EZ government and other debt in March. On the other hand, strong growth in the US caused an increase in confidence that the US was well on the way to making a full recovery from the financial crash and would be the first country to start increasing its central rate, probably by the end of 2015. The UK would be closely following it due to strong growth over both 2013 and 2014 and good prospects for a continuation into 2015 and beyond.

The UK coalition Government maintained its tight fiscal policy stance but recent strong economic growth and falling gilt yields led to a reduction in the forecasts for total borrowing in the March budget.

CAPITA'S PREDICTION FOR INTEREST RATES

The following table shows when Capita predict interest rates will rise, together with an estimate of other interest rates. Capita estimate that the Bank Rate will rise from 0.50% to 0.75% in June 2016, as issued by Capita on 20th May 2015:-

	NOW	Jun-15	Sept-15	Dec-15	Mar-16	June-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.50	1.50	1.75
3 month LIBID	0.52	0.50	0.50	0.60	0.70	0.80	0.90	1.10	1.30	1.40	1.50	1.80	1.90
6 month LIBID	0.66	0.70	0.70	0.80	0.90	1.00	1.10	1.30	1.50	1.60	1.70	2.00	2.10
12 month LIBID	0.98	1.00	1.00	1.10	1.20	1.30	1.40	1.60	1.80	1.90	2.00	2.30	2.40
5 yr PWLB	2.10	2.20	2.30	2.40	2.50	2.60	2.80	2.90	3.00	3.10	3.20	3.30	3.40
10 yr PWLB	2.80	2.80	2.90	3.00	3.20	3.30	3.40	3.50	3.70	3.80	3.90	4.00	4.10
25 yr PWLB	3.40	3.50	3.60	3.70	3.80	4.00	4.10	4.20	4.30	4.40	4.40	4.50	4.60
50 yr PWLB	3.40	3.50	3.60	3.70	3.80	4.00	4.10	4.20	4.30	4.40	4.40	4.50	4.60

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2013/14 £'000	Original* Estimate 2014/15 £'000	Actual 2014/15 £'000
PRUDENTIAL INDICATORS			
Capital expenditure			
- General Fund	7,425	18,199	7,162
- HRA	16,675	32,839	23,402
Total	24,100	51,038	30,564
Incremental impact of capital deposit decisions on:			
Band D Council Tax (City element)	0.00	0.00	0.00
Average weekly housing rent	0.00	0.00	0.00
Capital Financing Requirement (CFR) as at 31 March			
- General Fund	1,161	3,965	1,360
- HRA	214,748	219,217	214,652
Total	215,909	223,182	216,012
Change in the CFR	303	7,273	103
Deposits at 31 March (Note 2)	82,796	97,600	108,400
External Gross Debt	213,572	213,572	213,572
Ratio of financing costs to net revenue stream			
-General Fund	(2.77%)	(2.44%)	(2.11%)
-HRA	19.50%	19.45	18.02%
Total	16.73%	17.01	15.91%

*Note1: 'Original' refers to the Council's Budget Setting Report 2014/15 as agreed by Council on 27th February 2014.

Note 2: As per the Council's Balance Sheet.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2013/14 £'000	Original* Estimate 2014/15 £'000	Actual 2014/15 £'000
TREASURY INDICATORS			
Authorised limit			
for borrowing	250,000	250,000	250,000
for other long term liabilities	0	0	0
Total	250,000	250,000	250,000
HRA Debt Limit	230,839	230,839	230,839
Operational boundary			
for borrowing	215,909	223,182	216,012
for other long term liabilities	0	0	0
Total	215,909	223,182	216,012
Upper limit for total principal sums deposited for over 364 days & up to 5 years	5,000	40,000	40,000
Upper limit for fixed & variable interest rate exposure			
Net interest on fixed rate borrowing/deposits	6,916	7,003	7,003
Net interest on variable rate borrowing/deposits	(23)	(23)	(23)
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit
10 years and above (PWLB borrowing for HRA Reform)		100%	100%

*Note1: 'Original' refers to the Council's Budget Setting Report 2014/15 as agreed by Council on 27th February 2014.

Annual Treasury Management (Outturn) Report 2014/15

Current Counterparty List

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

Name	Council's Current Deposit Period	Category	Limit (£)
Specified Investments:-			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
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

Name	Council's Current Deposit Period	Category	Limit (£)
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
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 rd 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	
Skipton Building Society		15,336	Assets between £50,000m and £99,999m - £5m
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

Name	Council's Current Deposit Period	Category	Limit (£)
Certificates of Deposit (with UK Banking Institutions)	Liquid Rolling Balance	Financial Instrument	15m (per single counterparty)
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Supranational Bonds – AAA	Using Capita's Credit Criteria	Multi-lateral Development Bank Bond	15m
UK Government Gilts	Over 1 year & up to 30 Years	Financial Instrument	15m

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

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources
13 July 2015
Scrutiny Committee

Wards affected: All

CAPITAL DELIVERY APPROVAL – Replacement financial management system

Key decision

1. Executive summary

This project relates to a replacement for the financial management system. Initial work indicates that a capital budget of up to £242k and an additional revenue budget of up to £105k each year ongoing will be required. These figures reflect the upper end of the indicative price range obtained from suppliers and are before any contributions that may be received from partners or savings achieved as a result of the implementation. Based on average costs from suppliers and a conservative saving assumption, this project should deliver net savings in future years. Further information on the financial implications of the project is set out in Appendix 1 – B1: Estimate the project costs, and in Appendix 3 – Financial case summary.

The new capital project approval process requires projects with a value of greater than £300k to obtain Executive Councillor approval before consideration for funding as part of the Mid-Year Financial Review (MFR) or Budget Setting Report (BSR) process. Below £300k, the Capital Programme Board (CPB) review the project to ensure that it is properly planned and ready for delivery before it goes forward for funding consideration. As the process is new the CPB is yet to be convened, so this project has been reviewed by the Strategic Leadership Team (SLT).

Funding approval by Council is required as soon as possible (July 2015) to enable the project to commence without delay. The new system will be

critical in delivering savings and efficiencies, in supporting the transformation of the council and underpinning proposals for the sharing of the Finance Service. Approval at this point should allow procurement to be finalised by the end of November 2015, with the system implemented for 1 October 2016. As the project progresses, it will be possible to estimate both capital and revenue costs and savings with more accuracy and the resulting adjustments to budgets will be requested through the MFR and BSR as appropriate.

Details of the project, including financial and other implications are set out in Appendix 1.

2. Recommendations

The Executive Councillor is recommended:

- to approve the replacement financial management system project, as detailed in the attached appendices, which has been properly planned and is ready for implementation
- to recommend that Council approve capital and revenue funding for the replacement financial management system project

3. Background papers

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

Replacement financial system - Project Control Document (PCD) Parts A and B

4. Appendices

Appendix 1 – Project details, extracted from the PCD

Appendix 2 - Capital prioritisation form

Appendix 3 – Financial case summary

5. Inspection of papers

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

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Author's Phone Number: 01223 - 458134
Author's Email: caroline.ryba@cambridge.gov.uk

Appendix 1 – Project details extracted from the Project Control Document

A1. Project Brief - Purpose

The project will replace the Council's current financial system, Oracle Financials, with a modern, flexible and appropriate system. The system selected and implemented will be cloud-based, in line with the emerging ICT application delivery strategy. It will enable / support the Council's transformation through the provision of self service functionality and intuitive enquiry and reporting capabilities. As such, it will be a key driver of change.

A2. Project Background

The Council currently uses Oracle Financials version 11.5.10.2. This version is on extended support (new patches only released for systems critical issues) until at least December 2015. It is expected that support from independent consultants (not Oracle) will continue to be available after this date. The Council has a concurrent user licence. Oracle no longer provide this type of license, so there is a risk that Oracle will require the Council to change licensing model leading to increased costs.

The current system meets our basic accounting requirements. However, it is traditional in design, inflexible, and cannot be changed easily and cost-effectively to support the business. For example:-

- The coding structure was designed during implementation in 1997, and does not support current structures and reporting requirements effectively
- Workflow functionality e.g. to support P2P, is available but expensive and time-consuming to implement
- A reporting tool, Business Objects, is used as reporting directly from the system is not user-friendly, and the reports that are available from Oracle itself cannot be easily manipulated in spreadsheets
- It is not possible to maintain a separate 'Period 13' for year-end accounting adjustments
- The budget process and associated modelling has to take place outside the financial system

A high level options appraisal was performed in 2013. A summary of the options considered is given below.

Upgrade Oracle to R12	
Advantages <ul style="list-style-type: none"> • Future legislative changes included in system patches • Current cost levels maintained • Retain current reporting through Business Objects – well used and understood 	Disadvantages <ul style="list-style-type: none"> • One-off costs of £120-150k (2012/13 prices) • Limited opportunity to re-engineer processes • Not scaleable as council reduces in size • Any additional functionality e.g.P2P, will be costly to implement and designed for larger organisations than the Council
Run existing Oracle on extended support	
Advantages <ul style="list-style-type: none"> • Little / no time required to put in place • Retain current reporting through Business Objects – well used and understood 	Disadvantages <ul style="list-style-type: none"> • Limited developments possible at a cost • No system updates available for significant future changes (statutory etc) • Exposed to above inflation increases in support costs as fewer Oracle customers run this 'old' version • Not scaleable as council reduces in size • Time limited solution
Outsource to non-Oracle support model	
Advantages <ul style="list-style-type: none"> • Cost approximately 50% of Oracle support cost (saving~£20kp.a) • Retain current reporting through Business Objects – well used and understood 	Disadvantages <ul style="list-style-type: none"> • Developments, patches etc would be possible, but at a cost • No system updates available for significant future changes (statutory etc) – unless specified as bespoke changes at a cost • Unlikely to be able to revert to Oracle support, if this model not satisfactory
Outsource service provision (Oracle hosted or cloud-based)	
Advantages <ul style="list-style-type: none"> • May provide some revenue savings 	Disadvantages <ul style="list-style-type: none"> • Would require upgrade to R12 – disadvantages as

	above
System replacement (cloud-based in line with emerging ICT strategy)	
<p>Advantages</p> <ul style="list-style-type: none"> • Provides opportunities for transformational change – processes, self-service, mobile-working • Best practice process in-built • Scalable (costs) as council reduces in size, costed on usage levels • Hardware, systems support, disaster recovery costs etc consolidated into one cost model, with expectation of overall savings • Improved system resilience • Opportunity to leapfrog to current ‘best of breed’ solution • Provides platform for finance shared service offering 	<p>Disadvantages</p> <ul style="list-style-type: none"> • Significant one-off costs to implement – external consultancy, internal time and probable back-fill costs of finance staff involved • High risk project, but with significant benefits if well-delivered • Will require significant cultural change (both advantage and disadvantage(risk))

Given the analysis above, and the functionality and opportunities for process improvement provided by the implementation of a modern system, this project will procure and implement a replacement financial system.

The project will have implications for, and dependencies on a number of other existing and potential projects:-

- **Finance shared services:** At present neither SCDC (shared service probable within 12-18 months), nor HDC (possible shared service partner in a later phase) are committed to change financial systems. However, for the maximum benefits to be gained from a shared service, a common financial system will be necessary.

SCDC have indicated that they understand and support the proposition with regard to shared services and want to be involved in the project through representation on the project team.

HDC have been briefed on the project and are considering their involvement.

- **Support Services Review (SSR):** Although a new financial system is likely to be delivered after the new structures arising from the three phases of SSR are in place, it will enable the streamlining of processes within the new teams, provide access to the financial system from any location through desktop and mobile devices, and provide readily available information to track the performance of transactional services. The project itself will provide an opportunity to develop relationships and working practices with the new ICT support function.
- **Alternative delivery models:** A modern, flexible financial system will better support the changes to the structure of the organisation arising from the implementation of alternative delivery models. It will also provide an attractive platform from which to offer financial services to services being externalised.

A3. Objectives

- To procure and implement a new financial system to replace the existing Oracle Financials system
- To deliver the benefits outlined in A4
- Further objectives relating to potential shared service partners – to be agreed

A4. Benefits

The project will support the transformation of services and culture change within the organisation. It will :-

- support the achievement of savings throughout the council
- facilitate shared services in ICT support and finance
- empower users to take responsibility for their budgets
- enable accountants to spend more time on value-added tasks
- enable innovation in the delivery of finance services
- up-skill finance staff
- automate / streamline processes
- eliminate the risk of running an unsupported finance system
- provide systems resilience
- move to a software as a service basis allowing IT costs to reduce more easily

B1 Estimate the Project Costs		
Area of Expenditure	Capital £k	Proposed Funding Source
Implementation consultancy	65 - 150	Reserves
Project manager	29 – 44	Reserves (6 – 9 months , 3 days/week at £750/day)
Back fill for finance staff involved in the implementation project	23 - 33	Reserves (2 people at CPB6 for 6-9 months, 5 days per week – assume 50% capital)
ICT support	15	Reserves (50 days at £300 per day)
Total capital	132 - 242	
	Revenue £k	Proposed Funding Source
Annual subscription for system usage	35 - 160	Each year
Back fill for finance staff involved in the implementation project	23 - 33	2 people at CPB6 for 6-9 months, 5 days per week (year 1 only) – assume 50% revenue
Revenue	58 – 193 (year 1) 35 – 160 (ongoing)	
<p>Existing revenue budgets directly supporting Oracle, and available to fund the new system are £59k p.a. An additional amount of £30k (one-off) is available, from income earned from sharing the Head of Finance with SCDC. Additional funding will be sought from SCDC (and possibly HDC) on the basis that implementation at the City Council will reduce subsequent implementation costs for these councils (for example, system and process design will only be done once).</p> <p>Appendix 3 sets out a financial case summary, using average costs from the summary above and indicative savings to illustrate how this project would impact the Council's revenue budgets in future years.</p> <p>As described in A4, replacement of the financial system will have considerable non-cashable benefits, as well as acting as an enabler for a number of cashable benefits in the future. These future cashable benefits will include:-</p> <ul style="list-style-type: none"> • Reduction in the number of finance and business support staff 		

through the automation of processes, the roll-out of self service, and enabling of shared services (e.g. 10% of current finance department employee costs would be ~£80k p.a. – expected saving post implementation and embedding of new processes should be higher than this). This saving is additional to savings already taken through the Support Services Review of ICT Support and Financial Support.

- Savings achievable though sharing of finance team with SCDC, enabled by the system replacement
- Reduction in ICT support costs, including system and server administration, and Oracle DBA support
- Reduction in ICT running costs, including electricity, office space, server replacement
- Reduction in paper and printing costs through the use of electronic workflows and reports designed for use on screen
- Reduction in accommodation costs from reduced need for document storage and no on site server required

The funding for this project will require approval. It is proposed to take this through the new capital project approval processes, to be agreed at S&R Scrutiny Committee in July 2015. This will require review of the full business case by the Capital Programme Board to ensure deliverability and proper planning, followed by budgetary approval by Council.

It is proposed to present the project through the July committee cycle (i.e. to treat it as an exception rather than delay until October and include it within the MFR), to enable implementation to be completed for 1 October 2016, between peaks in workload for the Finance Team.

B2. Procurement Strategy

In line with the emerging ICT strategy, the finance system will be procured as a service (Saas – software as a service). The application will be hosted ‘in the cloud’ and accessed through a browser. Therefore procurement will cover 2 aspects – implementation costs, typically consultancy, and on-going subscription, or usage costs. Over a typical life cycle of 5+ years, the total cost is expected to exceed OJEU thresholds, and therefore the use of a framework contract is recommended, to shorten and simplify procurement process, whilst ensuring compliance with procurement and legal requirements.

We have identified two suitable frameworks:-

G-Cloud (available through the Government’s Digital Marketplace) - framework agreements with a large number of service providers; services listed on a publicly accessible portal known as the Digital

Marketplace. Public Sector organisations can call off the services listed on the Digital Marketplace without needing to go through a full tender process.

The Saas / Accounting and Finance category on G-Cloud lists 473 suppliers, covering a wide range of finance-related applications. All major finance system suppliers to the local government sector are represented, either directly or through implementation partners. The call-off contract duration is limited to two years without extension, however in practice repeat contracts are possible, protecting initial investment in systems implementation.

Framework Agreement RM1042, available through Crown Commercial Services, will enable the council to use a mini competition to procure our requirements through a call-off contract. The framework is entitled 'Corporate software solutions'. It has been developed as a pan-government agreement in association with strategic partners from central government, the wider public sector and Pro5 buying organisations. It provides a procurement vehicle for customers to access a specialist supply base for complex business needs based on common software products. Under the agreement suppliers are able to provide Enterprise applications software and related services to include design, development, installation and commissioning of systems; ongoing support, training, enhancement and maintenance and some related business process support services. The relevant lots feature 14 suppliers, but do not include all of the key suppliers within the local government marketplace.

We have recently become aware of further framework, made available by LGSS, through which we would be able to obtain the Agresso ERP system. This system is one of the market leaders.

Work is in-going to determine the preferred route to market from the above options.

Tony Allen will act in a procurement project management role, with support from legal services (Peter Geach) and procurement (John Bridgwater).

B3. Estimate the staffing resources required to deliver the project

(Note: the duration and timing of the implementation phase will depend on the system selected and drive the estimated number of hours)

Skill/Level/Person	Estimated Number of Hours	Estimated Duration	
		Start Date	Finish Date
Phase 1 – Procurement			
Project Manager	60	1 July 2015	31 October 2015
Accountancy (x2)	120	1 July 2015	31 October 2015
Income and payables	60	1 July 2015	31 October 2015
Non-finance users	60	1 July 2015	31 October 2015
Legal	35	1 September 2015	31 October 2015
Procurement	40	1 July 2015	31 October 2015
ICT support	60	1 July 2015	31 October 2015
Phase 2 - Implementation			
Project manager	600+	1 November 2015	30 September 2016
Accountancy (x2)	1200+	1 November 2015	30 September 2016
Income and payables	600+	1 November 2015	30 September 2016
Non finance users	100+	1 November 2015	30 September 2016
ICT support	300+	1 November 2015	30 September 2016

B4. Wider Staff Implications

The project will have a wide impact on staff and managers who undertake financial transactions or have budget management responsibilities. These staff will be consulted and will contribute to the project (see non-finance users above). They will principally be involved in specification, design and testing. The project will communicate to a wide audience, and significant numbers of staff will require training on the system and new processes as part of the implementation.

B5. Outline Your Approach to Consultation

A stakeholder analysis will be undertaken as part of detailed project

planning. As noted above, many staff will fall into key stakeholder groups and the project will need to develop a communications plan to ensure that stakeholders understand the impact of the project for them, its timescales and progress, and how to engage with it.

It is expected that there will be few external stakeholders, apart from the selected systems supplier, potential shared service partners (whose role / engagement with the project is to be agreed), and possibly suppliers of other systems which will need to interface with, or be replaced by the new system.

B6. Equalities Impact

An EQIA will be undertaken as part of the detailed project planning. At this stage, possible impacts are thought to be unlikely or minor and therefore manageable.

B7. Environmental Impact

Environmental impact (positive or negative) expected to be small, as this is a replacement system. For example, it will be hosted externally, so the Council's electricity usage will reduce, but will be substituted by increased energy usage for our supplier.

A larger positive impact should be achievable through reduction in the use of printed documents, with the use of electronic documents and automated workflows wherever possible.

B9. Risk Assessment

A full risk assessment will be undertaken as part of detailed project planning, and reviewed and maintained throughout the project. This will be a major project and the risks will vary as the project progresses. A number of key overarching risks are noted below, with possible mitigations:-

- **The solution (system, implementation support, ongoing support) chosen is not fit for purpose.** An output-based specification will be used and procurement will be undertaken through a framework agreement. References and site visits will be used as part of the selection process. Procurement and Legal support will be included on the project team.
- **The implementation project may not deliver to time, cost and/or**

quality. A project manager with relevant experience will be engaged. Key finance and user staff will be included on the project team. Project governance will follow the Council's project management methodology.

- **Approval for 'go live' may be given before the system is ready.** A comprehensive testing programme will be followed. An issue log will be maintained. Data will be cleansed before upload and reconciled after. Advice and support for these processes will be sought from the supplier and project manager.

B10. Anticipated Approach and Timetable

Note: this is an indicative timetable only. It assumes approval in July 2015. It also assumes a 10 month implementation phase. This timing will be subject to detailed planning with the chosen supplier, the amount of resource the Council can put into the project, the management of peaks and troughs in workload within Finance and other project dependencies. In practice, the stages shown within the implementation phase are likely to overlap.

Stage	Outcome / Deliverable	Date of Completion
Procurement		
Approval – funding and to commence	Capital Programme Board (S&R) Council	July 2015 July 2015
Solution chosen	Contract awarded and standstill period completed	October / November 2015
Implementation (duration dependent on solution chosen – indicative timetable below)		
Planning	Detailed project plans, including risks and issues, communications	November 2015
Design and build	Configured system and redesigned	June 2016

	processes	
Testing / Data migration	Approved system and verified data	August 2016
End user training	Training materials, user documentation, trained users	September 2016
Go live	System operational	1 October 2016

Capital Programme Board - Capital Project Prioritisation Score			
COMPLETE SHADED CELLS ONLY - select from drop-down lists where appropriate			
Project Name:		Replacement financial system	
Project Manager:		Caroline Ryba	
1	Do we have to do this project? - Is it a statutory requirement, e.g required to ensure health and safety of staff, customers? - Is it business critical, e.g. necessary to ensure continuing service delivery?	Y	Essential? Delete as appropriate
2	Does it address the council's objectives?	Project Score	
a	"Protecting essential services" including: reinstating the pest control service, protecting community grants to prioritise the disadvantaged and conducting an audit of all council spending to assess its impact on those in greatest need;	Does not support this objective in any way / works against this objective	0
b	"Sharing the city's prosperity and making Cambridge a Living Wage city" including: working to extend the Living Wage city-wide, expanding the council's apprenticeship programme, assisting credit unions, promoting energy-saving schemes and supporting those in need with water bills;	Does not support this objective in any way / works against this objective	0
c	"Tackling the housing crisis" including: maximising new council and affordable house building, working with partners to deliver more social housing, reviewing housing finance, increasing the fencing budget, increasing the number of repairs apprentices, reviewing policies on houses in multiple occupation, investigating the possibility of a social lettings agency and reviewing policies on homelessness;	Does not support this objective in any way / works against this objective	0
d	"Safety and quality of life" including: introducing public spaces protection orders to tackle problem drinking, working with the police to proactively use licence reviews of premises, introducing a "reduce the strength" campaign to tackle high-strength, low-cost alcoholic drinks, reviewing options for tackling domestic violence and action against punt touts, supporting the A14 upgrade, the City Deal and 20mph zones for residential streets, making improvements for cyclists and pedestrians and employing a Chesterton co-ordinator;	Does not support this objective in any way / works against this objective	0
e	"Making Cambridge greener and cleaner" including: doubling the public realm enforcement team, carrying out a "clean it up" anti-dog fouling campaign, doubling the programme of community clear out days, implementing a "cleaner Cambridge blitzes" campaign, tackling cigarette litter and improving maintenance and cleanliness in public places and parks;	Does not support this objective in any way / works against this objective	0
f	"Transforming the council" including: actively consulting with residents, improving area committees, supporting organisational transformation such as sharing services and other alternatives, reviewing financial processes and supporting a successful commercial property portfolio.	Aligned to this objective, either directly or provides necessary facilitation (eg computer system)	3
		0.5	
3	Financial impact - how will the project, once delivered, impact on the council's revenue budgets?	Score	Amount (£k) - specify revenue or capital
	- Adverse financial impact - additional costs or reduction in income of more than £10k p.a.	-1	£39k p.a. revenue saving - see Financial Case Summary in PCD
	- Cost neutral - no expected impact on income or costs (+/- £10k p.a.)	0	
	- Favourable financial impact - increased income, decreased costs, or potential loss of income averted (£10k - £100k p.a.). Capital receipt of up to £1m	1	
	- Very favourable financial impact - increased income, decreased costs or potential loss of income averted (more than £100k p.a.). Capital receipt of more than £1m.	2	
		1.5	Total Score
4	Risks to delivering the project on time, to budget, and to quality requirements		
	- The outline business case (or similar document) adequately addresses how the project is to be delivered, timetable, costs and risks	Good quality outline business case	Low risk (Green)
	- Level of risk inherent in the deliverability of the project. E.g. reliance on third parties, partnership working, complex funding arrangements, possible planning issues, site surveys required, long delivery timescales with complex dependencies etc	Complex in a number of areas with significant dependencies	High risk (Red)

Appendix 3 – Financial case summary

Capital: There will be capital costs of £132 – 242k payable to cover implementation costs.

Revenue:

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	Notes
Revenue implementation costs	9	19			Average cost £28k split between years 1:2
Annual subscription / usage costs	-	50	100	100	Average cost £100k, starting 1/10/16 (assumed implementation date)
Less: existing revenue budgets	-	(29)	(59)	(59)	Budget available from 1/10/16. In practice some legacy costs may not stop immediately. There may be costs of maintaining legacy data.
Less: one-off funding from sharing HoF	(9)	(21)	-	-	Assumes carry forward of some of this income into 2016/17
Total revenue costs	-	19	41	41	These figures assume no contributions from shared service partners or any reductions in price that might be available from suppliers on the basis of a larger implementation with these partners
Savings from finance team			(80)	(80)	10% of current cost assumed from 1/4/17 to allow for embedding of systems and processes. In practice these savings are expected to be larger but may be combined with savings from sharing finance services
Net revenue cost / (saving)	-	19	(39)	(39)	

See also B1, which lists a number of other savings that will become available as a result of this system replacement. As some of these savings rely on the move towards providing all ICT applications from the Cloud, and making savings in overheads as a result, they have not been quantified at this stage.



To: Executive Councillor for Finance and Resources
 Report by: Alan Carter – Head of Strategic Housing
 Relevant scrutiny committee: Strategy 13/07/15
 and
 Resources
 Committee
 Wards affected: East Chesterton and Arbury

Title – General Fund Investment in Housing Key Decision

It is recommended that the committee resolves to exclude the press and public during any discussion on the exempt section of the report by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains commercially sensitive information.

1. Executive summary

This report examines the opportunities to invest General Fund monies in housing let at rents below market values to assist in meeting the needs of those who do not have priority for social housing but cannot afford market housing (known as the intermediate market). The report proposes a pilot project involving the acquisition of 24 new homes on the Aylesborough Close and Water Lane schemes currently being developed on Council land under the Housing Revenue Account. The pilot project will allow the Council to test the risks and opportunities of the proposition before consideration of any further investment.

2. Recommendations

The Executive Councillor for Finance and Resources is recommended to delegate authority to the Director of Customer and Community Services in consultation with the Head of Finance and Head of Legal Services to;

acquire 24 homes on the Aylesborough Close and Water Lane schemes currently being developed on Council land by Keepmoat and to set up a housing company, wholly owned by the Council, to borrow from the General Fund to acquire the housing and to let the homes at 80% of market rent on short-term tenancies ensuring all risks have been considered in the business case.

3. Background

The Annual Statement 2015/16 includes as a priority for the Council “to use General Fund reserves left lying dormant previously to invest in new intermediate homes at affordable sub-market rents for those with low priority for social rent homes, and generate revenue to protect services.”

A report to the Housing Committee in September 2014 detailed the growing issues in the intermediate housing market. The Executive Councillor for Housing agreed to endorse the need to address a range of intermediate housing needs amongst people who cannot afford to buy or rent good quality housing on the open market but who also do not have priority for social housing for rent.

This report proposes the use of General Fund monies to purchase the market housing that is available on the Council housing development schemes in Water Lane and Aylesborough Close and to let them at rents that are below market levels.

The market housing on these schemes is made up as follows;

Water Lane (Total properties - 10)

- 2 one bedroom flats
- 4 two bedroom flats
- 4 three bedroom houses

Aylesborough Close (Total properties – 14)

- 1 one bedroom flats
- 8 two bedroom flats (including one wheelchair accessible)
- 5 three bedroom houses

Both schemes have planning approval and are under construction by the Council’s partner house-builder, Keepmoat. The market housing is due to be completed as follows;

Water Lane – December 2015 to March 2016

Aylesborough Close – September 2015 to March 2016

Appendix 1 shows the layout of each scheme and the location of the market housing colour coded and marked as ‘private’ in the key shown on the layout plan.

Initial legal advice has suggested that a housing company, wholly owned by the Council, could be set up to facilitate the proposal.

Under the model being explored the housing company would borrow money from the General Fund and acquire the new homes from Keepmoat. The

housing company would repay the loan through the rental income received from the tenants.

The properties would not be subject to the 'Right to Buy' and if the pilot proves to be successful it will be available to accommodate similar investments in the future. Further detailed legal advice will be sought to ensure that 'state aid' is avoided and to be clear on any tax implications.

The housing company will have a number of options to manage the housing including by contracting with City Homes; by contracting with the Council's social lettings agency, Town Hall Lettings; or through contracting with a private lettings agency for example (the latter would be subject to procurement but the former two options would not as the service delivery will remain within the public sector. A Lettings Policy for the housing would need to be produced and factors such as length of tenancy defined.

As the project is proposed as a pilot it requires an 'exit strategy' should the housing company prove unviable over time or fail to meet the intermediate housing need as intended. The proposed exit strategy is to dispose of the properties realising a capital receipt to repay the Council's loan. This can be facilitated by offering fixed term tenancies of say, a three year duration. The housing company will be required to produce an annual budget and the company board members will monitor operational and financial performance. It would be the intention to formally review the pilot say after two years to confirm that it is meeting its objectives.

In order to set up the housing company, then Council will need to;

- Complete a legal process to form the company
- Agree governance arrangements ie agree Board membership
- Draft a business plan including a budget for its first year of operation
- Secure legal and tax advice in respect of this specific proposal
- Produce a risk assessment and mitigations
- Consider letting, management and maintenance arrangements

4. Implications

(a) Financial Implications

Initially the proposal to acquire the 24 properties was based on the use of the Investment for Income Fund (IFI). A minimum return on investment of 5% has been set for this fund. As the financial appraisal for the proposal using IFI generated less than 5% return, two other scenarios were appraised.

a. Using internal borrowing @ 2.02% interest

c. Using external borrowing @ 3.62% interest

Each scheme was appraised separately. Using internal borrowing both schemes generate a positive revenue return from year 1. Using external borrowing, neither scheme generates a revenue return in year 1.

The recommendation is therefore to use internal borrowing to acquire the properties. This has the added benefit of not utilising the IFI leaving it available for schemes that will generate the minimum return required.

The Head of Finance has confirmed that the use of internal borrowing is a legitimate route to fund the proposal and that the Council's projected cash flows indicate that there is sufficient cash available to fund this proposal for the long term, if required.

An overview of the financial appraisals for each scenario and revenue costs and rental income assumptions used for this proposal are detailed in Appendix 2. In summary, the market values of the have been assessed by a qualified independent valuer. The assumed housing management costs are higher than for an appraisal of a social housing scheme due to an anticipated higher turnover of properties. Maintenance costs are the same but profiled with lower costs in the early years of the scheme as the properties are new. The rents used are as follows and are based on 80% of market rent at December 2014 plus an assumed annual inflation of 2%;

One bedroom - £150.88 per week

Two bedroom - £206.62 per week

Three bedroom - £236.16 per week

(Note – the appraisals do not factor in any potential capital appreciation of the properties)

(b) Staffing Implications

Legal and financial advice will be needed to set up the housing company.

The housing company will need to commission the following services;

Legal - to acquire the market housing; establish the types of tenancies and potentially to dispose of the housing should the company be wound up.

Finance and accountancy to receive set budgets; receive rents and manage accounts.

Housing management and maintenance.

All of these services can be provided by the Council.

(c) **Equality and Poverty Implications**

None

(d) **Environmental Implications**

All of the homes acquired will be constructed to Level 4 of the Code for Sustainable Homes.

(e) **Procurement**

None.

(f) **Consultation and communication**

None.

(g) **Community Safety**

None.

5. Background papers

None

6. Appendices

Appendix 1 - Layout of each scheme and the location of the market housing colour coded and marked as 'private' - attached as separate documents.

Appendix 2 (Confidential) – Summary of financial appraisals for each scenario and revenue costs and rental income assumptions used

7. Inspection of papers

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

Author's Name: Alan Carter

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- All dimensions to be verified on site by GENERAL CONTRACTOR and any discrepancies to be brought to the attention of the Architect prior to commencing work or setting out or preparing shop drawings.
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 - Drainage has not been surveyed and all pipe locations and below ground drainage runs are indicative

KEY

- Site Boundary
- Allocated Market Parking
- Unallocated Affordable Parking

SURFACES LEGEND

- Grass (Open Green Space)
- Grass (Private Gardens)
- Block Paving (Type A)
- Block Paving (Type B)
- Block Paving (Type C)
- Block Paving (Type D)
- 600 x 600 concrete paving slabs (pedestrian paths in back garden)

PLANTING LEGEND

- Existing Tree Retained
- Existing Tree Removed
- Proposed Tree
- New Planting

MISC LEGEND

- New Rotary Dryer
- Compost Bins

North

0 2 5 10m

Scale Bar (Metres)

Colour Key	Block	Affordable/Private	Plot	Area	Area (sqm)
Light Green	L	Private	1	3B5P House	79
Red	K	Affordable	2	3B5P House	88.5
Red	K	Affordable	3	3B5P House	88.5
Blue	J	Private	4	3B5P House	92
Blue	J	Private	5	3B5P House	92
Blue	J	Private	6	3B5P House	92
Purple	G	Private	7	2B4P Flat (Wheelchair)	64
Purple	G	Private	8	2B4P Flat	70.6
Yellow	F	Private	9	2B4P Flat	64.5
Yellow	F	Private	10	2B4P Flat	64.5
Yellow	F	Private	11	2B4P Flat	64.5
Yellow	F	Private	12	2B4P Flat	64.5
Yellow	F	Private	13	2B4P Flat	64.5
Yellow	F	Private	14	2B4P Flat	64.5
Yellow	F	Affordable	15	1B2P Flat	41.4
Yellow	F	Affordable	16	1B2P Flat	61.5
Yellow	F	Private	17	2B4P Flat	70.8
Yellow	F	Private	18	2B4P Flat	70.8
Yellow	F	Private	19	2B4P Flat	70.8
Yellow	F	Private	20	2B4P Flat	70.8
Yellow	F	Private	21	2B4P Flat	70.8
Yellow	F	Private	22	2B4P Flat	70.8
Yellow	F	Private	23	2B4P Flat	70.8
Yellow	F	Private	24	1B2P Flat	48.9
Yellow	F	Private	25	2B4P Flat	69.7
Orange	C	Affordable	26	2B4P House	75
Orange	C	Affordable	27	2B4P House	75
Orange	B	Affordable	28	2B4P House	75
Orange	B	Affordable	29	2B4P House	75
Orange	A	Affordable	30	2B4P House	75
Orange	A	Affordable	31	2B4P House	75
Pink	D	Private	32	3B5P House	92
Pink	D	Private	33	3B5P House	92
Yellow-Orange	E	Affordable	34	2B4P Flat (Wheelchair)	81.5
Yellow-Orange	E	Affordable	35	2B4P Flat	80.2



No. Revision Date Chk Auth

PLANNING

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 Cambridge
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 Tel: (01223) 367733
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Saunders Boston

Client: **Keepmoat**
 Job: **Aylesborough Close, Cambridge**

Drawing: **Proposed Site Plan**

Scales: 1:250@A1, 1:500@A3
 Date: **September 2013**

Number: **1273 / L / 03**
 Checked: **ND**
 Authorised: **NDMG**

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 - Drainage has not been surveyed and all pipe locations and below ground drainage runs are indicative

GREEN END ROAD

6.1m

WATER LANE

FALLOWFIELD

KEY

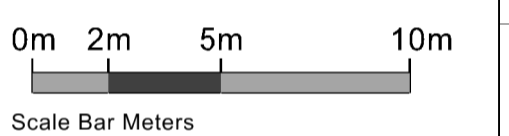
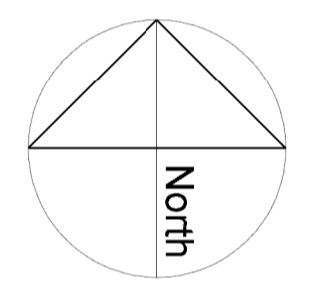
- Site Boundary
- Allocated Market Parking
- Unallocated Affordable Parking
- Pedestrian Visibility Splays
- Vehicle Visibility Splays
- Grass (Open Green Space)
- Grass (Private Gardens)
- Block Paving (Type A)
- Block Paving (Type B)
- Block Paving (Type C)
- 600 x 600 concrete paving slabs (pedestrian paths in back garden)

PLANTING LEGEND

- Existing Tree Retained
- Existing Tree Removed
- Proposed Tree
- New Planting

MISC LEGEND

- New Rotary Dryer
- Compost Bins



SCHEDULE

Private Residential Units:

- 4No 3B5P House with 2No Dedicated Parking Spaces (92 Sq m)
- 4No 2B4P Flats with 1No Parking Space (69 Sq m): Ground & First Floor
- 2No 1B2P Flats with 1No Parking Space (45 Sq m): Second Floor

Total Private Units: 10No

Affordable Residential Units (55+):

- 2No 1B2P Flat (52 Sq m): Second Floor
- 2No 1B2P Flat (65 Sq m): Ground Floor
- 8No 2B3P Flat (70 Sq m): Ground, First & Second Floor
- 2No 2B3P Flat (74 Sq m): First Floor

8No Unallocated Parking Spaces

Total Affordable Units: 14No

Total of all Units: 24No

F	General updates to schedule and plan	19/09/13	VH	NDMG
E	Schedule amended	13/09/13	VH	NDMG
D	Amendments to landscaping	13/09/13	VH	NDMG
C	General Updates to plan and schedule	11/09/13	BS/VH	NDMG
B	General Updates	20/08/13	VAH	NDMG
A	General Updates	18/03/13	CR	DH
No.	Revision	Date	Chk	Auth

PLANNING

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Saunders Boston

Client: **Keepmoat**

Job: **Water Lane, Cambridge**

Drawing: **Proposed Site Plan**

Scales: 1:200 @ A1 1:400 @ A3	Date: 20 August 2013
Number: 1272_P_L_003	Checked: CR Authorised: DH Revision: F

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