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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, C. Smart and Holland

Leader of the Council: Councillor Herbert

Executive Councillor for Finance and Resources: Councillor Owers

Despatched: Wednesday, 30 September 2015

Date: Monday, 12 October 2015

Time: 5.00 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Sarah Steed

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 - 38)

To confirm the minutes of the meetings held on 13 July 2015

4 Public Questions

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

5 Future of Park Street Car Park (Pages 39 - 90)

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

6 Fleet Maintenance (Pages 91 - 98)

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

7 Future Location of Archive of City Council Decisions and Records (Pages 99 - 106)

8 Mill Road Depot Stores - Future Options (Pages 107 - 114)

9 CCTV Shared Service Annual Report (Pages 115 - 126)

10 Cultural Trust Project - Review of Implementation (Pages 127 - 130)

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

11 Procurement of the Council's Electricity and Gas Supplies (Pages 131 - 136)

12 Draft Climate Change Strategy 2016-2021 (Pages 137 - 198)

13 Temporary Agency Worker Provision from November 2015 (Pages 199 - 212)

14 Treasury Management Half Yearly Update Report 2015/16 to 2018/19 (Pages 213 - 230)

15 General Fund: Mid Year Financial Review - October 2015 (Pages 231 - 276)

16 Support for Inclusive Banking and Loan Services (Pages 277 - 284)

17 Staff Vacancies (*Pages 285 - 290*)

Information for the Public

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

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

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE

13 July 2015
5.00 - 10.10 pm

Present: Councillors Robertson (Chair), Sinnott (Vice-Chair), Benstead, Bick, Holt, Sarris, M. Smart, Abbott and C. Smart

Leader of the Council: Councillor Lewis Herbert

Executive Councillor for Finance and Resources: Councillor George Owers

Also present: Executive Councillor for Housing: Councillor Kevin Price and the Executive Councillor for Planning Policy and Transport: Councillor Kevin Blencoe

Officers:

Chief Executive: Antoinette Jackson

Director of Customer and Community Services: Liz Bisset

Director of Environment: Simon Payne

Director of Business Transformation: Ray Ward

Head of Corporate Strategy: Andrew Limb

Head of Finance: Caroline Ryba

Head of Property Services: Dave Prinsep

Strategy and Partnerships Manager: David Kidston

Safer Communities Section Manager: Lynda Kilkelly

Head of Strategic Housing: Alan Carter

Head of Planning: Patsy Dell

Local Taxation Manager: Kevin Jay

Committee Manager: Toni Birkin

FOR THE INFORMATION OF THE COUNCIL

15/45/SR Apologies for Absence

Apologies were received from Councillors Hipkin, Baigent and Cantrill. Councillors Abbott and C. Smart were present as alternates.

15/46/SR Declarations of Interest

No interests were declared.

15/47/SR Minutes of the Previous Meeting

The minutes of the meetings of the 28th May 2015 and the 23rd March 2015 were agreed and signed as correct records.

15/48/SR Public Questions

A public question was received regarding minute item 15/50/SR. Full details can be found with the minute for that item.

15/49/SR Oral Report from the Leader and Proposals for Lead Councillors

The Leader gave an oral report on his portfolio priorities:

- i. The Annual Statement sets out the priorities for the year ahead. Increase use of partnerships would be the focus for the coming year.
- ii. The following Lead Councillors had been appointed:

Lead Councillor	Title and relevant Executive Councillor	To provide advice to the Executive Councillor as follows:
Councillor Richard Robertson	Anti-Poverty - Exec Cllr for Finance and Resources	Advise on the implementation and further development of the council's Anti - Poverty Strategy
Councillor Gerri Bird	Disability - Exec Cllr for Strategy and Transformation	Advise on council disability policies, including access to services, buildings and city centre, and press other Cambridge building owners and service providers to also make improvements
Councillor Dan Ratcliffe	Equalities - Exec Cllr for Strategy and Transformation	Advise on council policies on equalities obligations other than disabilities, including campaigns against discrimination
Councillor Ann Sinnott	Domestic violence and	Advise on continued work on white ribbon status and assist on community

	community safety - Exec Cllr for Strategy and Transformation	safety priorities including effective tackling of domestic violence, working with the police and other partners
Councillor Martin Smart	Climate Change - Exec Cllr for Finance and Resources, and Cycling - Exec Cllr for Planning Policy and Transport	Assist with the implementation of the council's Climate Change Strategy Review planned projects for cycling including in the City Deal, and work on joint initiatives with the County Council Cycling Champion

15/50/SR Shared Service Overview

Public Speaker

Liz Brennan, Unison representative, addressed the Committee and asked the following questions on behalf of staff:

- i. Was the savings target for the first 6 to 12 months realistic?
- ii. Would IT hold up the process?
- iii. Staff had not seen the risk document. Was there a risk from the lack of key personnel factored in?
- iv. Was the EQIA Cambridge specific?
- v. What arrangements were in place for the scrutiny of the future business plan?

The Chief Executive responded as follows:

- i. The targets were realistic and recognised the transition period.
- ii. The risk register would be shared with staff. Risks surrounding staffing issues were included.
- iii. The EQIA was Cambridge specific and had been produced for this Committee.
- iv. Staff would be involved in all future developments.
- v. Detailed staff consultations would follow.

Councillor Herbert stated that there would be on-going staff consultations. He invited Ms Brennan to raise any staff concerns and undertook to answer their questions.

Matter for Decision

In July 2014, Huntingdon District Council (HDC), South Cambridgeshire District Council (SDC) 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 collaborations.

The report outlined the overall approach that had been taken to the development of these shared services proposals.

Decision of the Leader

The Executive Councillor agreed:

- i. That the approach to shared services outlined in the report be endorsed.
- ii. That approval be given to the establishment of a Joint Committee without delegated powers to oversee the delivery of shared services.
- iii. That the Leader be confirmed as the Council's representative to this committee and a deputy be appointed
- iv. That the proposed sovereignty guarantee in section 8 be approved
- v. That the approach to cost sharing principles and partnership agreement as outlined in section 9 be approved.
- vi. 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.
- vii. 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.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Chief Executive regarding the Shared Services Overview.

In response to Members' questions the Chief Executive stated that:

- i. Shared Waste Services were not part of this report as they were already in the pipeline and had already established a shared governance arrangement. However, this might be rationalised at a later date.
- ii. The Lead Authority had been agreed in preference to other models as this allowed the individual authorities to keep control of the decisions. The authority to make decisions would remain with the Executive Councillors.
- iii. Differences in approaches to staff negotiations, such as the fact that Huntingdon had a staff council but did not recognise unions, had been considered and harmonisation discussions were on-going.
- iv. The powers and functions of the Joint Committee would reflect current delegations.
- v. Recharging individual authorities for services used would require consistent information about costs and service consumption.
- vi. A detailed exit strategy and notice periods would be included in the partnership agreement.
- vii. Initial costs of moving to a shared service, such as redundancy payments for senior managers, would be met by the individual authorities.
- viii. A formula for allocation and mechanisms for repaying host authorities for services was under development. All three authorities would be both providers and users of services and therefore, had vested interests in agreeing fair mechanisms.
- ix. The employing authorities would set pay policy for staff. However, work would be needed regarding harmonisation of policies.
- x. The Transformation Challenge Award funding was a government grant.

Councillor Herbert confirmed that the move to shared services would present issues and challenges. The proposals would allow individual authorities to retain sovereignty over decision making whilst minimising lead in time and risks. Lessons would be learnt from existing best practice. Existing pay bargaining arrangements would be honoured for TUPE'd (Transfer of Undertakings [Protection of employment]) staff.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/51/SR Shared Legal Service

Matter for Decision

Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) had agreed to work in partnership to deliver shared services and had agreed general principles to underpin the approach.

The report provided the business case to establish a Shared Legal Service (to be known as the Practice) between the Councils and detailed the activity to create the Practice.

Decision of the Leader

Approved 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.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Director of Business Transformations regarding Shared Legal Services.

The Committee made the following comments in response to the report:

- i. Expressed concerns that a permanent Head of Service had not been appointed to shape the services.
- ii. Suggested that protocols regarding which tasks were to be outsourced to an external provider needed to be in place soon.

In response to Members' questions the Director of Business Transformation stated that:

- i. Appointing a permanent Head of Service at this point would have delayed the project. Consultations regarding the management team structure and operating model were on-going.
- ii. The Interim Head of Service had the capacity to get the initial tasks completed.
- iii. The larger team would result in a broader range of in house services being available.
- iv. The Interim Head of Service would have line management function for the three teams.
- v. The existing close working relationship between City Legal and Planning Teams would be maintained.
- vi. Procurement would not be a shared service.

The Committee resolved unanimously to endorse the recommendation.

The Executive Councillor approved the recommendation.

15/52/SR Shared ICT Service

Matter for Decision

Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) had agreed to work in partnership to deliver shared services and had agreed general principles to underpin the approach.

The report provided the business case to establish an ICT Shared Service (ICTSS) between the Councils and details the activity to create the ICTSS

Decision of the Leader

Approved the Business Case and delegated 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.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Director of Business Transformation regarding the Shared ICT Service.

The Committee made the following comments in response to the report:

- i. Suggested that further explanations of costs were needed.
- ii. Questioned the compatibility of the systems currently used by the different authorities.
- iii. Questioned how the three authorities, with different functions, could be brought together. For example, only two had housing services.

In response to Members' questions the Director of Business Transformation said the following:

- i. Northgate held a fixed term contract which would run until 2018, and this had been factored into the proposals. The contract would not be terminated as no breach of contract had occurred.
- ii. Some applications would be service specific but it was expected that the majority of systems would be compatible.
- iii. Future provision would offer better value for money.

Councillor Herbert stated that this service was important and this was an opportunity to achieve both better value for money and an improved service.

The Committee resolved by unanimously to endorse the recommendation.

The Executive Councillor approved the recommendation.

15/53/SR Shared Building Control**Matter for Decision**

Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) had agreed to work in partnership to deliver shared services and had agreed general principles to underpin the approach.

The report provided the business case to establish a Building Control Shared Service (BCSS) between the Councils and details the activity to create the BCSS.

Decision of the Leader

Approved the Business Case and delegated 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.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Planning regarding Shared Building Control.

In response to Members' questions the Head of Planning stated the following:

- i. She was confident about the ability of building a shared service with a commercial function.
- ii. There would be a need for succession planning as skilled staff in this field would be in demand from commercial organisations.

Councillor Herbert stated that he was proud of the service and welcomed the opportunity for it to grow. It would bring savings for the authority and for its customers.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/54/SR Shared Waste Service

Matter for Decision

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

Decision of the Leader

The Executive Councillor agreed:

- i. To note the progress of Cambridge City Council and South Cambridgeshire District Council towards to 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.
- ii. To delegate to the City Council Chief Executive the power to approve any changes necessary to the Council's Scheme of Delegation arising from the changes reported in the officer's report.
- iii. To delegate to the Director of Environment the power to implement the changes to managerial arrangements arising from the changes reported in the Officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Director of Environment regarding a Shared Waste Service.

In response to Members' questions the Director of Environment stated that:

- i. Decisions regarding the Shared Waste service had previously been considered at the Environment Scrutiny Committee. However, the decision delegations were complicated. Further reports on this matter were expected to be brought back to this Committee later in the year.
- ii. Staff had made constructive suggestions.
- iii. Discussions with staff and unions were on-going regarding travel plans.

Councillor Herbert stated that he was committed to working with staff. He thanked the staff of the two authorities for their hard work in moving forward plans for a shared service.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/55/SR Housing Development Agency

Exclusion of the Press and Public

The Chair reminded the Committee that some of the appendices to the report were confidential and that if they were minded to discuss matter in those documents, it would be necessary to consider excluding the press and public.

The Committee resolved to discuss the report in open session.

Matter for Decision

The report proposed 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).

Decision of the Leader

The Leader:

- i. Approved 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); and
- ii. Agreed to delegate authority to the Director of Customer and Community Services to make decisions and to take steps which are necessary,

conducive or incidental to the establishment of the shared housing development service in accordance with the business case.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Strategic Housing regarding the establishment of a Housing Development Agency. The Committee noted the additional recommendation that had been circulated in advance of the meeting (item ii above).

The Committee welcomed the proposals.

In response to Members' questions the Head of Strategic Housing and Director of Customer and Community Services stated that:

- i. The new staffing structure and job titles would reflect the Housing industry norms and were not comparable with internal posts. An Assistant Director post would be included.
- ii. The Housing Development Agency would be self-funding.
- iii. Structures would be developed to address profits and losses.

Councillor Herbert stated that the proposal had the support of the City Deal Board.

The Committee resolved unanimously to endorse the amended recommendations.

The Executive Councillor approved the recommendations.

15/56/SR Street Lighting - County Council Proposals

Matter for Decision

Following major budgetary reviews, the County Council proposed 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.

The report set out the framework of the lighting proposal and detailed the areas of significant concern in the City and suggested considerations for negotiation with the County Council.

Decision of the Leader

- i. The Executive Councillor agreed 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:
 - a) 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.
 - b) 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.
 - c) County Council agreement to remove streets from dimming or switching off where CCTV is located.
 - d) The removal from the proposal of walking and cycling routes, particularly across open spaces.
 - e) 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.
- ii. Any Additional recommendation to the County Council, to be agreed in consultation with the Chair and Spokes

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Safer Communities Manager regarding County Council proposals for changes to street lighting provision.

The Committee made the following comments in response to the report:

- i. Suggested that public perception of danger could result in increased stress levels or social isolation as people chose to stay at home.
- ii. Suggested negotiating with the County Council to limit the cuts to 1.00am to 5.00am instead of midnight to 6.00am.
- iii. Suggested that the maps demonstrate a lack of understanding of the night time economy in Cambridge.
- iv. Suggested that crime and anti-social behaviour would increase.
- v. Expressed concern that most of King's Hedges would be in darkness after midnight.
- vi. Expressed concerns about paths across open spaces, roads that connected to the existing and the proposed new rail station and coach drop off points.
- vii. Proposed that the County Council be asked to carry out wider public consultations.

Councillor Herbert proposed that any additional recommendations to the County Council would be agreed with the Chair and Spokes to incorporate the concerns raised by members.

This was agreed *nem con*.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendation.

15/57/SR Single Equality Scheme 2015-2018

Matter for Decision

The draft of the new Single Equality 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. The report presented the key findings from the consultation and a finalised version of the Single Equality Scheme for approval.

Decision of the Leader

Approved the finalised Single Equality Scheme 2015-2018 at Appendix C of the Officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategy and Partnership Manager regarding the Single Equality Scheme 2015-2018.

Councillor Sarris stated that the lesbian, gay, bisexual, and transgender community lack social spaces or venues; this in turn made it harder to target health messages. The Strategy and Partnership Manager confirmed that this had been identified as an area for action. His team were currently working with grant funded community groups to support events in the future.

Councillor Herbert stated that he would be asking the Executive Councillor for Communities to investigate the options available. He further suggested that Councillor Sarris be involved in the project.

Councillor Benstead was concerned that declarations of Gypsy and Traveller ethnicity were under recorded in the last census. He suggested that those who moved to a settled lifestyle might hide their heritage as discrimination against these groups remained an issue. He requested more work be done to engage these communities as Cambridge had always been an important place to Gypsy and Traveller communities.

The Committee made the following comments in response to the report:

- i. Stated that some of the newer hi tech companies have very good gender support networks and might be willing to share best practices.
- ii. Suggested using an external agency for future surveys to see if this resulted in a higher return rate.

In response to Members' questions the Strategy and Partnership Manager said the following:

- i. Whilst individual response rates to the survey were low, a number of meetings were held with community groups, on a one to one basis.
- ii. Work was on-going to establish links with community and faith groups. Officers would welcome any contact details Members might be aware of.

The Director of Customer and Communities stated that this initiative belonged to all staff and Members. If Members felt the Gypsy and Traveller issues were priorities, a review, including housing needs of those groups, could be carried out ahead of next year's Single Equality Scheme report.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/58/SR Oral Report from the Executive Councillor for Finance & Resources and Proposals for Lead Councillors

The Executive Councillor gave an oral report on his portfolio priorities. Important issues for the year ahead included: Reviewing the Climate Change Strategy, the Anti-Poverty Strategy, Commercial Property Successes and the Review of Support Services.

15/59/SR Adopting A Discretionary Transitional Relief Policy For Non Domestic Rates

Matter for Decision

The purpose of the report was 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.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor agreed to:

- i. Adopt the Transitional Relief Policy (Appendix A of the Officer's report) 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.

- ii. Delegate authority to the Head of Revenues and Benefits to award the “Discretionary Transitional Relief” where a ratepayer demonstrates their entitlement.

Reason for the Decision

As set out in the Officer’s report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Local Taxation Manager regarding the adoption of a Discretionary Transitional Relief Policy for Non Domestic Rates.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/60/SR Annual Climate Change Strategy Progress Report, Including Carbon Management Plan and Climate Change Fund Status Report

Matter for Decision

The report provided 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 included an update on progress in implementing the Council’s Carbon Management Plan. The Plan sat under the Strategy and played a key role in achieving its first strategic objective, which was to reduce carbon emissions from the City Council’s estate and operations.

The report also provided an update on the position of the Climate Change Fund, which provided support to projects that help to reduce the Council’s own carbon emissions and/or manage climate change risks to Council staff and property.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor:

- i. Noted the progress achieved during 2014/15 in implementing the Climate Change Strategy and the Carbon Management Plan.
- ii. Noted the Climate Change Fund Status Report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategy and Partnership Manager regarding the Annual Climate Change Strategy Report.

The Committee made the following comments in response to the report:

- i. Expressed concerns that the Carbon management plan had encouraged many projects but appeared to show few completions.
- ii. Suggested that there were better ways of presenting carbon usage data which would add to the decision making process.

In response to Members' questions the Director of Environment, the Head of Strategic Housing and the Strategy and Partnership Manager stated the following:

- i. The Code for Sustainable Homes had been discontinued and would no longer be available for Planning Policy. However, the planning department would continue to encourage high standards
- ii. Cambridge City Council had joined the Good Homes Alliance which would encourage high standards.
- iii. Some projects had been reconsidered or rephased as new information or initiatives became available.
- iv. Information on carbon use was audited and the results published.
- v. Previous problems of recording accurate energy usage had been addressed and systems were now in place to provide an accurate base line measurement.

Councillor M. Smart undertook to supply Officer's with useful contacts at Bath University who were working in this field.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/61/SR Mill Road Depot Redevelopment

Matter for Decision

The report requested approval to begin the process to redevelop the Mill Road Depot site.

The site had been included in the draft Local Plan but, could only be redeveloped if its inclusion was confirmed in the final Local Plan.

A fully costed, final scheme, would 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.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor:

- i. Approved the procurement of a planning and development brief for the site.
- ii. Agreed that an options report would be brought back to this Committee prior to seeking a development partner.
- iii. Delegated 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.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Strategic Housing regarding the redevelopment of the Mill Road Depot.

The Committee made the following comments in response to the report:

- i. Suggested that more local consultation was needed
- ii. Requested that the main access to the site be restricted to come directly off Mill Road and not via any of the small side roads.
- iii. Expressed concerns that members would not have an opportunity to scrutinise the development brief in advance of a preferred development partner being selected.

In response to Members' questions the Head of Strategic Housing suggested that a Member briefing could be arranged.

Councillor Price stated that the site would be used to provide good housing for a range of tenures.

Councillor Owers confirmed that a range of options had been included in the report in order to set the development brief process in motion.

The Director of Customer and Community Services confirmed that it was unlikely that the site could be developed exclusively as social housing due financial constraints. She suggested an additional recommendation could be added to address concerns regarding further scrutiny opportunities.

Additional Recommendation B (existing recommendation B to become recommendation C):

B: An options report would be brought back to this Committee prior to seeking a development partner.

This was agreed *Nem Con*.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/62/SR 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Strategy and Transformation Portfolio (Decision of the Leader)

Matter for Decision

The report presented 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 was reported and variances from budgets were highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2015/16 were identified.

Decision of the Leader

The Executive Councillor:

- i. Agreed the carry forward requests, totalling £18,620 as detailed in Appendix C of the Officer's report, to be recommended to Council for approval.
- ii. Agreed 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 of the Officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance regarding the 2014/15 outturn position.

The Committee sought clarification regarding underspends and asked if there were common threads.

In response to Members' questions the Head of Finance stated that underspends were mainly staffing related and were linked to recruitment processes and unfilled vacancies.

The Committee resolved by 6 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

15/63/SR 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Finance and Resources Portfolio

Matter for Decision

The report presented 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 was reported and variances from budgets were highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2015/16 were identified.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor:

- i. Agreed the carry forward requests totalling £153,310 as detailed in Appendix C of the Officer's report, to be recommended to Council for approval.
- ii. Agreed 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 of the Officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance regarding the 2014/15 outturn position.

The Committee made the following comments in response to the report:

- i. There appeared to be significant slippage on a number of items in the Capital Programme.
- ii. Requested that more details on slippages be included in future reports.

In response to Members' questions the Head of Finance said that whilst the Capital Plan did phase planned spending, slippages still happened.

Councillor Owers stated that this report was based on the budget set by the previous administration. In future, slippages would be reviewed and would be subject to removal from the plan. . Later on the agenda of the meeting there was an item on Capital Plan Processes which sought to introduce a new system to remedy the slippage problems inherited from the previous administration. He acknowledged that some projects, such as Clay Farm, were dependant on external bodies and therefore slippages were beyond the control of the council.

The Committee resolved by 6 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/64/SR 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances – all General Fund Portfolios

Matter for Decision

The report presented 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 was reported and variances from budgets were highlighted. Explanations had also been reported to individual Executive Councillors / Scrutiny Committees.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor agreed:

- i. The final carry forward requests, totalling £657,030, as detailed in Appendix C of the officer report, were to be recommended to Council for approval, subject to the final outturn position.

- ii. 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 of the Officer's report.
- iii. To ask Officer's to report to the next meeting on trends in staffing underspend.

Buchan Street Community Centre - New roof replacement

- iv. To approve the refurbishment of the tiled roof and thermal insulation replacement at Buchan Street Community Centre, which has been properly planned and is ready for implementation, subject to any feedback from the Capital Programme Board
- v. To recommend that Council approve capital funding of £60,000 for the refurbishment of the tiled roof and replacement of thermal insulation project.

Ross Street Community Centre - New Boiler system

- vi. To approve the replacement of the boiler system at Ross Street Community Centre, which has been properly planned and is ready for implementation, subject to any feedback from the Capital Programme Board
- vii. To recommend that Council approve capital funding of £36,000 for the replacement boiler system project.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance regarding a summary of the 2014/15 outturn position (actual income and expenditure) for all portfolios.

Additional recommendations, circulated in advance and tabled at the meeting, were noted.

Concerns were raised regarding the number of staff vacancies and requested a full report on this matter.

Councillor Owers stated that a number of departments were in a phase of transition and might be leaving vacancies unfilled in order to avoid future redundancies. He suggested that Officers produce a report on the reasons for staffing underspends for the next meeting.

The Committee resolved by 6 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendation.

15/65/SR Review of Capital Plan Processes and Procedures

Matter for Decision

Mid-year Financial Review (MFR) 2014 and Budget Setting Report (BSR) 2015 highlighted the need to improve existing capital plan processes.

The report built on Phase 1 of the review of the capital plan. The report proposed detailed changes to the process whereby new projects come forward onto the Capital Plan and existing projects move from the Projects Under Development (PUD) list for approval and inclusion on the General Fund capital plan.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor:

- i. Approved 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 of the Officer's Report)
- ii. Approved the changes identified in Appendices B and C of the Officer's report for 'other' capital approval processes.
- iii. Agreed 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.

- iv. Approved the appointment of a capital accountant/programme manager, funded from existing resources, to implement the proposed changes detailed in this report.
- v. Agreed 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.
- vi. Agreed to ask Officers, in consultation with the Executive Councillor Chair and Spokes, to develop a process to ensure there is transparency and opportunity for Member oversight of projects between £75,000 and £300,000.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance regarding the mid-year Financial Review.

In response to Members' questions the Head of Finance confirmed that Appendix A – Amendments to Financial Delegations, contained an omission. Corrected text to read as follows:

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, provided that the relevant Ward Councillors have been consulted, where appropriate.

For projects where the estimated 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, provided that the relevant Ward Councillors have been consulted, where appropriate.

The Committee expressed concerns that public consultation might begin before any decision had been made about a project. This could raise public expectations. The Head of Finance confirmed that public expectations would need to be managed. However, early consultation was regarded as the best way to shape the project.

The Committee questioned their opportunities to scrutinise projects. The Chief Executive stated that the report was seeking to achieve a balance between opportunities for scrutiny and efficient delegations that made the decision making process manageable.

An additional recommendation requesting that Officers develop a consultation process for member oversight of smaller projects was suggested. Wording as follows:

Agreed to ask Officers, in consultation with the Executive Councillor Chair and Spokes, to develop a process to ensure there is transparency and opportunity for Member oversight of projects between £75,000 and £300,000.

The Committee resolved unanimously to endorse the amended recommendations.

The Executive Councillor approved the recommendations.

15/66/SR Annual Treasury Management Report 2014/15

Matter for Decision

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.

The report met 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.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor:

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

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance regarding the Annual Treasury Management report.

The Committee sought clarification regarding organisations on the Counterparty list. The Head of Finance confirmed that there were organisations on the list that were never used as their rates were uncompetitive.

The Committee resolved by 6 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/67/SR Replacement Financial Management System

Matter for Decision

To approve a project to replace the Council's financial management system. Initial work indicated that a capital budget of up to £242k and an additional revenue budget of up to £105k each year ongoing would be required. These figures reflected the upper end of the indicative price range obtained from suppliers and were before any contributions 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.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor:

- i. Approved the replacement financial management system project, as detailed in the attached appendices to the Officer's report.
- ii. Agreed to recommend that Council approve capital and revenue funding for the replacement financial management system project

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Details of alternative systems considered were detailed in Appendix 2 of the Officer's report.

Scrutiny Considerations

The Committee received a report from the Head of Finance regarding a replacement financial management system.

The Committee questioned the procurement process for a new system and asked for assurances that references would be sought from existing users.

The Head of Finance outlined the tendering process.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/68/SR General Fund Investment in Housing

The Chair reminded the Committee that some of the appendices to the report were confidential and that if they were minded to discuss matter in those documents, it would be necessary to consider excluding the press and public.

The Committee resolved to discuss the report in open session.

Matter for Decision

The report examined 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 would allow the Council to test the risks and opportunities of the proposition before consideration of any further investment.

Decision of Executive Councillor for Finance and Resources

The Executive Councillor:

- i. Delegated 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):
 - to set up a housing company (wholly owned by the Council) to borrow from the General Fund to acquire the housing
 - to let the homes at 80% of market rent on short-term tenancies ensuring all risks have been considered in the business case.
- ii. Agreed to recommend to Council that a budget provision is made to allow the General fund to lend money to the Housing Company to acquire 24 properties at Aylesborough Close and Water Lane as detailed in the report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected
Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Strategic Housing regarding General Fund Investment in Housing.

The Committee made the following comments in response to the report:

- i. Welcomed the move as a way to add to the supply of intermediate housing in Cambridge
- ii. Expressed regret that it would not be increasing housing stock.

In response to Members' questions the Head of Strategic Housing stated that the initial borrowing would be a very limited pot. However, it would be sufficient for lessons to be learnt for future ventures.

Councillor Price stated that the project would meet an identified need. It was intended to be a pilot scheme but would be income generating. The properties in the pilot had been selected as they would be available very soon and would bring the land back into council ownership.

The Committee resolved by unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

The meeting ended at 10.10 pm

CHAIR

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To: LEADER OF THE COUNCIL - LEWIS HERBERT
Report by: HEAD OF SPECIALIST SERVICES
Relevant scrutiny committee: STRATEGY AND RESOURCES 12 OCTOBER 2015
Wards affected: ALL

FUTURE OF PARK STREET CAR PARK

Key Decision

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

1. Executive summary

- 1.1 The Council considered the outline business case for refurbishing Park Street Car Park in June 2012, examining the potential and implications of alternative redevelopment and refurbishment options for the facility. The structural condition of the car park is deteriorating and it will need major work within the next 2-3 years.
- 1.2 Detailed feasibility studies (including an archaeological study) have identified that underground car parking is a realistic and cost effective alternative to repairing or rebuilding the multi-storey car park.
- 1.3 A public consultation exercise was undertaken in 2014 to consider alternative options for the car park. This exercise found a majority of respondents preferred the option to replace the existing car park with a new underground car park with a mixed residential and/or commercial development above ground.
- 1.4 What began as a review of a specific parking project has now taken on a much more corporate and cross-cutting focus. A mixed development is recommended, consisting of an underground car park of 250 spaces, with social and market housing for sale and rent above ground, and commercial outlets, including a modern

cycle park.

- 1.5 The key issue to decide is the shape of the above ground development. A judgement has to be made between securing more sustainable revenue from above ground use, and delivering more housing at a greater resource cost to the Council.
- 1.6 This proposed approach protects the objective of providing more social housing whilst the underground car parking facilities helps the council to progress its planning and transport policy objectives, securing a return on its investment and delivering sustainable revenue to the Council for years to come.
- 1.7 It is critical that the redevelopment programme establishes alternative interim parking arrangements while works are undertaken for both car and cycle users. A strategy is proposed that will mitigate the impact of the loss of Park Street Car Park's facilities during redevelopment, alongside measures to promote alternative public transport facilities and a media campaign supporting Cambridge as being 'open for business'.
- 1.8 It is proposed to implement this redevelopment proposal from April 2017, after obtaining appropriate permissions.

2. Recommendations

The Executive Councillor for Strategy and Transformation is recommended:

- 2.1 To support the redevelopment of Park Street Car Park to incorporate:
 - a) A 250-space underground car park;
 - b) Above ground a mixed development of market and social housing, including the option for commercial rental on the ground floor, in conjunction with cycle parking.
- 2.2 To support a strategy to mitigate the impact of the redevelopment during construction works that includes:
 - a) further consultation and liaison over the detailed plans and timetable for the redevelopment with key stakeholders,

- including businesses in Bridge Street and the vicinity of Park Street carpark
 - b) continuing consultation and involvement through Cambridge BID
 - c) regular public project updates
- 2.3 To instruct the Head of Property Services in liaison with the Head of Strategic Housing to
- d) Explore the preferred mechanism to secure the redevelopment of the site to maximise the opportunities to provide affordable housing on the site within the constraints of financial viability, and to report back in the next committee cycle.
 - e) Explore the preferred housing schemes, to enable the council to decide whether to build the social housing itself or to sell it to a registered provider, and to report back in the next committee cycle.

3. Background

- 3.1 A report examining viable options for the future of Park Street Car Park was prepared for the Council in June 2012. It considered the outline business case for refurbishing the car park and examined the potential and implications of alternative redevelopment of the site.
- 3.2 The report found that due to the deteriorating structural condition of the car park, it could not be left in its current state.
- 3.3 In keeping with the recommendations of that report, the Council has since:
- a) Carried out detailed feasibility studies (including an archaeological study) to determine whether underground car parking was a realistic and cost effective proposition in view of ground conditions and other factors (2013);
 - b) Investigated in more detail what measures could be applied to mitigate the effects of a closure of the car park during the construction period;[2013-2015];
 - c) Undertaken limited remedial repairs to the car park in the interim to ensure that it is safe and secure in the short to medium term, whilst assessing the options [2013-2015];

d) Consulted the public and other stakeholders (e.g. local retail businesses etc.) about the options to refurbish, or to redevelop the Park Street car park [August/ September 2014].

3.4 The public consultation found that a clear majority of responses preferred the option to replace the car park with a new underground car park with a mixed residential and/or commercial development above ground. Feedback from respondents highlighted a range of opinions, including some views that were not consistent. Key findings were that:

- Important concerns exist, particularly from some businesses over the potential economic impact to them of a wholesale redevelopment of the site.
- Interim parking arrangements while works are undertaken for both car and cycle users will be a critical factor during any development or refurbishment period.
- The cycle parking facility is highly valued and there is a desire to increase its size.
- There is a desire to at least maintain, and ideally increase, the number of car parking spaces;
- There is also a desire to reduce the number of car park spaces or remove the car park entirely;
- The project offers the opportunity to improve the architecture/visual attractiveness of the area.

3.5 Following the consultation feedback the Executive Councillor for Planning and Transport resolved that the final decision on the future of the Car Park should be informed by a more detailed report on the three chief options under consideration, namely:

OPTION 1 A refurbished multi-storey car park

**OPTION 2 Demolition and reconstruction of the above
ground multi-storey car park**

OPTION 3 Redevelopment of the site for a mixed-use development to include an underground public car park (300 spaces).

3.6 Consultants were engaged to carry out an options appraisal, and to produce a report that focussed on appraising the alternative options primarily from a financial perspective, but also taking account of the consultation feedback. In the course of drafting the reports, the consultants were also instructed to consider a fourth option, a variation on option 3, providing a smaller underground car park of 250 spaces:

OPTION 3b Redevelopment of the site for a mixed-use development, to include an underground public car park (250 spaces).

4 Addressing the Council's Strategic Objectives

4.1 It is important that the redevelopment options for the site take account of the broader strategic objectives of the council and reflect Council priorities. These objectives were prepared when scoping the original project brief and reflect the Council's aims:

- a) To secure improved financial returns on Council assets
- b) To support the local economy and business in the city centre
- c) To meet the Council's environmental objectives
- d) To support /address local housing need
- e) To provide good quality facilities that are accessible and make proper provision for disabled users and for cycle parking
- f) To be consistent with local planning guidance

4.2 The relevance of these objectives in relation to this project in assessing the best option for developing Park Street Car Park is discussed in Appendix 1.

4.3 The intention is for the Council to retain the freehold of the site and dispose of residential interest under long term leases. This will ensure that any long term capital land value will be retained by the Council.

- 4.4 The Council's preference would be to fund any new social housing through its Housing Revenue Account. If this is not viable in the light of recent government announcements, options have been included below analysing the sale of the social housing to a Registered Provider.

5. Car Parking Options

- 5.1 The consultants' report is attached at Appendix 2. Key findings of the consultants' report are summarised below:

Option 1 - Refurbishment of the Park Street Car Park

- 5.2 On the basis of the consultants' analysis, the option to refurbish Park Street car park should be discounted. In its favour:

- It is the least disruptive option for local business and for council revenue for the immediate future,
- It is organisationally the simplest option to deliver,
- It has the shortest delivery timetable.

- 5.3 However, it remains a short-term solution that 'kicks the can along the road'. It does **not**:

- Meet the council's requirements for delivering a financially viable case that provides good value for money, either as an investment by the city council or in terms of sustaining revenue streams to the council;
- Meet the council's environmental objectives, either in terms of sustainability or design,
- Match the other options in terms of its potential to provide good quality facilities that are accessible, making proper provision for disabled users and for cycle parking.
- Deliver long-term car parking facilities.

Option 2 - Demolition and reconstruction of a multi-storey car park

- 5.4 Constructing a new multi-storey car park above ground (Option 2) will

- deliver a building with a useful life of more than 60 years
- deliver a financially viable case in the longer term,
- provide value for money both as an investment by the city council and in terms of sustaining revenue streams to the council
- meet the council's environmental objectives, both in terms of sustainability and design, and
- Offer the potential to provide good quality facilities that are accessible, making proper provision for disabled users and for cycle parking.

5.5 Compared with refurbishment the option to demolish and rebuild a multi-storey car park,

- Carries higher risks, is more complex and disruptive in its planning and implementation, and
- Will take longer to deliver than a refurbishment.

Option 3 - Redevelopment of the site for a mixed-use development, to include an underground public car park. (300 spaces)

5.6 Like a new multi-storey car park, a new basement car park with redevelopment above ground will provide similar outcomes in terms of the useful life of the facility, environmental improvements, good quality accessible facilities and sustainable revenue streams. In the longer term it will also deliver a financially viable business case.

5.7 However, in a similar vein, the highest risks apply in relation to the complexity of construction, planning and implementation. A 300 space underground car park will take the longest time to deliver of all the options under consideration, and will be the most costly to deliver.

Option 3b - Redevelopment of the site for a mixed-use development, to include an underground public car park. (250 spaces)

5.8 The consultants have evaluated a variation of Option 3 that sees a mixed redevelopment of Park Street Car Park above ground,

including a 250-space underground car park.

- 5.9 This would provide a modern basement car park over 3 levels with development above ground for alternative uses. The delivery of a basement car park of this scale will be a challenging project from both construction and engineering perspectives when accounting for the location of the site and the proximity of neighbouring occupiers.
- 5.10 On the basis of estimated construction and development costs a total delivery cost is expected to be around £9.25 million. This is lower than Option 3, reflecting the reduced number of spaces but is substantially higher than both Options 1 and 2. Additional costs of up to £60K are likely to be incurred as a result of the need to undertake further holding and maintenance repairs to the existing car park.
- 5.11 A construction period of between 18 to 20 months would be required to deliver a 3-deck basement car park, assuming there are no delays resulting from archaeological or geotechnical issues. Planning permission would need to be obtained prior to construction. A period of 2.5 months would be allowed for demolition of the existing car park.
- 5.12 The new car park would be built to modern standards and specification and would provide a good quality parking facility providing suitable accessibility for users.
- 5.13 A construction period of 18 – 20 months, when no car parking is available at Park Street will cause disruption to local traders and the evening economy, and is likely to adversely affect footfall. This impact will be less than the option to construct a larger underground car park. (Option 3), because of the reduced construction period, but could be expected to be more severe than either Options 1 or 2.
- 5.14 Compared with the other options, a 140- space reduction in capacity upon completion would not meet existing demand as frequently, although the impact would still largely be at peak periods at weekends, occasionally on weekdays too, and materially so during December. However the overall demand impact of losing about 36% percent of the existing capacity is less

onerous, with less than 8% of existing users being affected and requiring alternative provision.

- 5.15 The short-term impact of the temporary closure of Park Street car park for redevelopment will require the displacement of existing patrons of the site to other City Centre car parks or alternative means of travel into the City Centre.
- 5.16 In the longer term, although 250 spaces would not fully accommodate the busiest time periods such as at weekends and in the run-up to Christmas, it is considered that this level of car parking will cater for the majority of existing weekday demand which will allow the surrounding area and businesses to continue to benefit from the custom of car park patrons and pedestrian through traffic. It is considered likely that the shortfall of spaces at the busiest weekend periods will result in a displacement to other car parks and this has the potential to increase congestion on the approach roads to the Grand Arcade and highways to the south of the City Centre. It is considered unlikely that the reduction in car parking spaces will cause a modal shift in transport terms.
- 5.17 Assuming a closure period of 20 months over the two financial years that would be impacted by the construction, there would be an overall loss in net revenue to the Council of close to £1million. The loss in car parking income at Park Street would be mitigated by revenue from users displaced to other Council car parks and a reduction in operating costs.
- 5.18 While the net revenues in this option will be less than those outlined in Options 2 and 3 (reflecting a reduced number of parking spaces), when occupancy levels peak in 2022/23, net revenues will increase to around £817,000. Operating costs will also be lower than Option 3 due to the reduced capacity.
- 5.19 The investment in a basement car park would deliver a building with a useful life of more than 60 years.
- 5.20 The net capital expenditure in delivering Option 3b will be less than both Options 2 and 3. Undoubtedly, this option carries more risk than Option 2 because of its relative complexity. However, the completed basement car park could expect to generate a value in the region of £9million which will ultimately be higher than the cost of delivery.

5.21 Option 3b does offer a long-term solution which will enable the Council to increase revenues in real terms. The aggregate net revenue from Option 3 from April 2016/17 to April 2031/32 is estimated to be in the region of £12.7million. This accounts for lost income during construction and includes the allowance for income from displaced users to CCC operated car parks. This is the lowest of the four options because fewer parking spaces will be provided. That said, this option will offer better long-term prospects for revenue increases than Option 1.

5.22 Overall, Option 3b will provide value for money and subject to the land-price agreed, could offer the lowest initial capital expenditure of the three new build options considered in this report. Revenues will be less than Options 2 and 3, although they will be higher than Option 1 after full recovery has been achieved.

5.23 In planning terms, an above ground redevelopment and basement car park would deliver a scheme offering the potential for a visual improvement in the surrounding area. Detailed discussions would be necessary with Planning in order to establish in greater detail the design and density of development that would be permitted on this site.

Summary of Options for Car Parking

5.24 The table below summarises how well each option meets key policy priorities and corporate objectives.

	Comparator	Option 1 A refurbished multi-storey car park	Option 2 A new multi-storey car park	Option 3 Site redevelopment plus underground car parking	Option 3b Site redevelopment plus underground car parking
1	No. Parking Spaces	350+	300	300	250
2	Cycle Parking provision.	Yes	Yes	Yes	Yes
3	Useful Life	15 years	60+ years	60+ years	60+ years
4	Net Revenue Increases	No	Yes	Yes	Yes
5	Running and Maintenance costs	Highest	Lowest	Medium	Medium
6	Delivery Period	9 months	15 months	20-26 months	18 – 20 months

	Comparator	Option 1 A refurbished multi-storey car park	Option 2 A new multi- storey car park	Option 3 Site redevelopment plus underground car parking	Option 3b Site redevelopment plus underground car parking
7	Value for Money	No	Yes	Yes but less so than 2.	Yes, but less so than 2
8	Transport Impact – long term	Minimal	Minimal	Minimal	Some Impact
9	Delivery Risk	Least	Medium	Highest	High
10	Good Facility	No	Yes	Yes	Yes
11	Secure Improved Financial Return	No	Yes	Yes	Yes
12	Addressing Local Housing Need	No	No	Yes	Yes
13	Improvement to Environment	No	Yes	Yes	Yes
14	Meet Planning Guidance	Yes	Yes	Yes	Yes
15	Trader Impact (as comparison of 3 options)	Least	Medium	High	High
16	Supported by Public Consultation	No	No	Yes	Yes
17	Supported by Business Consultation	Yes	No	No	No

6. Housing/Commercial Options –Above Ground Development

- 6.1 This section considers different ways to provide development of the land above ground and reviews the respective business cases.
- 6.2 The consultants' initial modelling assumed that in the event that the council decided to provide basement parking, it could part fund that car parking by realising capital receipts from the sale of the housing/commercial premises above ground. A developer would pay an amount for the land based on a residual valuation calculated assuming the number of units that can be constructed on the land, how many can be sold on the open market and the required Affordable Housing under planning policy. However, in deciding between the options to build a multi-storey car park and to redevelop the site for basement car parking plus above ground development, the latter also provides the opportunity to provide a revenue stream from the new housing and commercial units.
- 6.3 A further consultant report at Appendix 2 appraises four scenarios for the above ground development as set out below:

6.4 The main assumptions used to appraise all of the the above ground development options are as follows;

- The Council retains the freehold of the site and sales are by long leasehold of at least 125 years so as not to impair the capital value.
- Ground floor would consist of cycle parking and commercial use, consistent with planning policy (except in Variation 2 where commercial space is not provided)
- Three floors of residential totalling 48 units
- 24 one bedroom and 24 two bedroom flats (except in Variations 2 and 3 where the dwelling numbers are varied)
- Intermediate rents @ 80% market (based on market rents one bedroom flats - £184 per week; market rents two bedroom flats - £253 per week)
- Social rents @ 60% market
- A contractor/developer partner is selected to fund and construct the redevelopment
- The capital cost of any Intermediate Housing is funded under the Investment for Income fund.

Baseline Scenario

6.5 In this baseline position a contractor/developer sells the market flats housing by way of long leasehold and takes all of the construction and market sales risk and reward.

- The contractor/developer sells the 40% Affordable Housing required under planning policy to a Registered Provider (or the Council's Housing Revenue Account, which must be in a position to purchase the 19 units).
- The contractor/developer retains the commercial units

Outcome for the Council – Baseline Scenario

- £5m to £5.25million capital receipt to the General Fund

Variation 1

6.6 This comprises:

- Contractor/developer sells the market housing by way of long leasehold and takes all of the construction and market sales

risk and reward. The developer funds the construction of the commercial property and also the social housing (the general market subsidises the delivery of the commercial and social housing).

- The contractor/developer constructs the 40% Affordable Housing required under planning policy and this is retained by the Council and managed by the Council's Housing Revenue Account. .
- The contractor/developer constructs the commercial units and these are retained by the Council.

Outcome for the Council –Variation 1

- No capital receipt to the General Fund
- 19 social rented flats added to the Council's social landlord business
- A revenue stream of £102K per annum generated for the Council from the letting of the Affordable Housing.
- A revenue stream of £220K per annum generated for the General Fund from the letting of the commercial units.

Variation 2

6.7 This comprises:

- Contractor/developer sells the market housing by way of long leasehold and takes all of the construction and market sales risk and reward
- The contractor/developer constructs the 40% Affordable Housing required under planning policy and this is retained by the Council and managed by the Council's Housing Revenue Account (HRA).
- There are no commercial units in the redevelopment.

Outcome for the Council –Variation 2

- £850K capital receipt to the General Fund
- 19 social rented flats added to the Council's social landlord business
- No revenue for the General Fund
- A revenue stream of £102K per annum generated for the Council from the letting of the Affordable Housing.

Variation 3

6.8 This comprises:

- Contractor/developer sells 50% of the flats as market housing by way of long leasehold and takes all of the construction and market sales risk and reward
- The contractor/developer constructs the other 50% of the flats and these are retained by the Council 40% as Affordable Housing required under planning policy and 10% as Intermediate Housing.
- The contractor/developer constructs the commercial units and these are retained by the Council.

Outcome for the Council –Variation 3

- The Council would pay the contractor/developer a contribution of £1.8m for the scheme.
- 19 social rented flats added to the Council's social landlord business
- A revenue stream of £102K per annum generated for the Council from the letting of the Affordable Housing.
- A revenue stream of £27K per annum generated for the General Fund from the letting of the Intermediate Housing – this represents an approximate return of 5.5% on use of capital from the Investment for Income Fund.
- A revenue stream of £220K per annum generated for the General Fund from the letting of the commercial units.

A further option to consider - Variation 1a

6.9 In addition to the consultant's analysis, a further option - Variation 1a. – is suggested. This acknowledges the likelihood that the council's Housing Revenue Account may not be able to take on the new social housing from the development, and assumes immediate sale to a Registered Provider, with a capital receipt of £3.357m, based on the consultant's original valuations.

▪ Outcome for the Council –Variation 1a

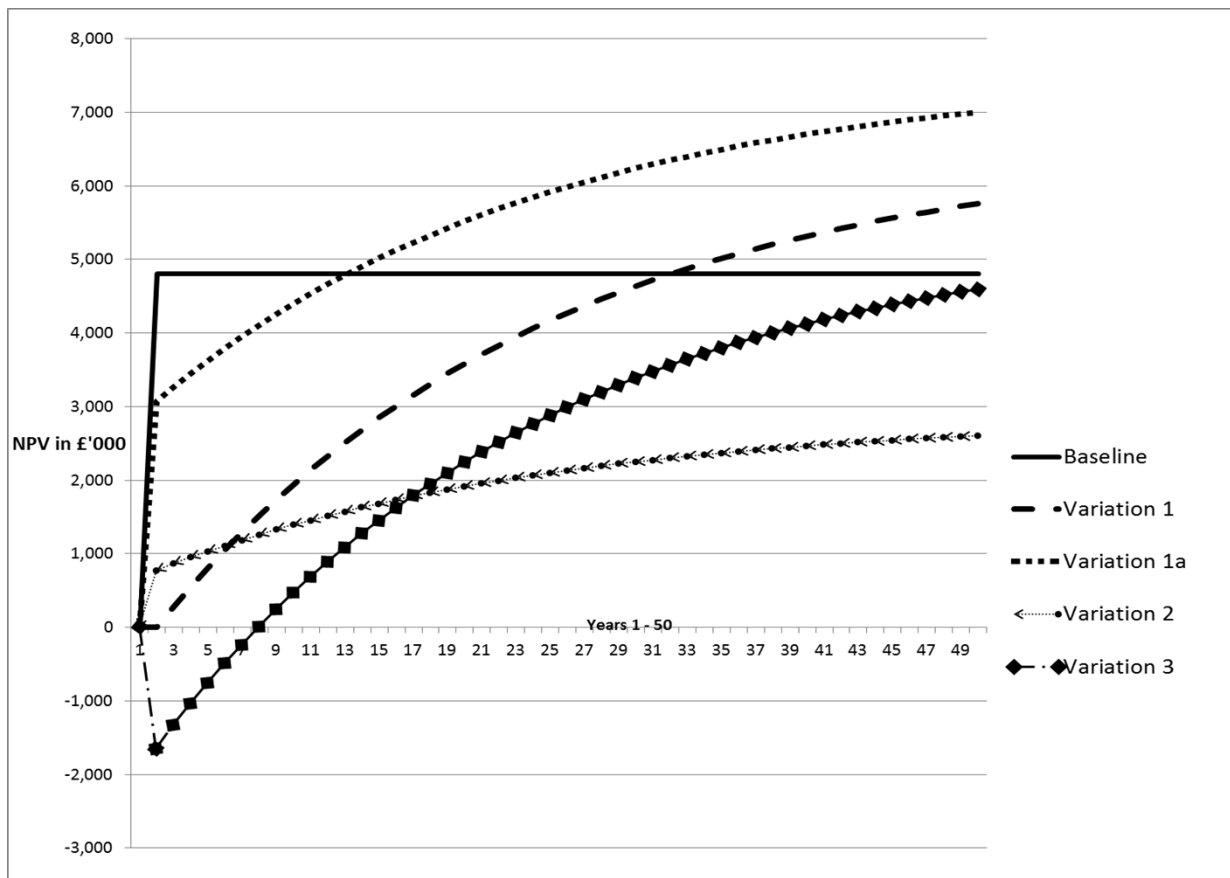
- Capital receipt of £3.357m to the General Fund from immediate sale to a Registered Provider

- A revenue stream of £220K per annum generated for the General Fund from the letting of the commercial units.

Summary of Above Ground Options

6.10 Analysing the cash flows arising from each variation using Net Present Values (NPVs) over a 50 year period at a discount rate of 4.5%, gives a comparison of the value of each variation to the council (see chart below):

6.11 On this method of analysis, the best longer- term option would appear to be Variation 1a.



7. Revenue Implications

7.1 All options require the council to fund some or all of the car park build cost, estimated at £9.25m. Assuming that any capital receipt

obtained from the above ground development is used to part fund the car park, and that the remainder is funded through internal borrowing, it is possible at a high level, to model the annual revenue impact of the whole development for each variation. (Note in Variation 3 it is assumed that the cost of providing the Intermediate Housing is funded in line with the principles behind the Investment for Income Fund).

- 7.2 The table below summarises the revenue implications of the different options. The figures are indicative for a year when both the car park and above ground property are fully operational and relate to the council as a whole (General Fund and HRA if applicable). This 'snapshot' analysis shows that the best option in revenue terms appears to be Variation 1, followed by Variation 3. However, both of these include income from social housing for the HRA, which may not be deliverable. Taking away the impact of the HRA providing social housing in Variation 3, (shown in the table as Variation 3a) reduces the revenue impact to -£87k p.a. , making it directly comparable to Variation 1a.
- 7.3 In policy terms the decision for the council about whether to build the social housing itself or to sell it to a registered provider could be made at a later date.

Park Street Car Park - revenue implications, full year of operation (GF+HRA)							
		Baseline	Variation 1	Variation 1a	Variation 2	Variation 3	Variation 3a
		£'000	£'000	£'000	£'000	£'000	£'000
Parking							
Change in parking net revenue compared to refurbishment		-15	-15	-15	-15	-15	-15
Housing							
Increase in net revenue - social housing	HRA	0	-102	0	-102	-102	0
Increase in net revenue - intermediate housing	HRA	0	0	0	0	-27	-27
Increase in net revenue - commercial	GF	0	-220	-220	0	-220	-220
Financing							
Finance costs - interest earned/foregone @ 0.75%		30	69	44	63	83	58
Minimum revenue provision (over 60 year life)		67	154	98	140	173	117
Revenue impact per year		82	-113	-93	86	-108	-87
Car park build cost		9,250	9,250	9,250	9,250	9,250	9,250
Capital receipt - above ground option		-5,250	0	-3,357	-850	0	-3,357
Capital payment - above ground option		0	0	0	0	1,800	1,800
Additional funding required		4,000	9,250	5,893	8,400	11,050	7,693
Funded by:							
Invest for Income Fund		0	0	0	0	648	648
Borrowing		4,000	9,250	5,893	8,400	10,402	7,045
		4,000	9,250	5,893	8,400	11,050	7,693
Notes							
a) Baseline. The developer provides 40% social housing to a registered provider or the council and a capital receipt to the council, based on the financial benefit of selling both the market housing and the commercial property							
b) V1. The developer provides both 40% social housing and commercial property to the city council, and has the financial benefit of selling the market housing							
c) V1a. As b), but the social housing , transfers to a Registered Provider fpor which the council gets a capital receipt							
d) V2. as b) but with a capital receipt to the council, instead of commercial property							
e) V3 and V3a as b) but with 10% intermediate housing to the council and market housing being 50%. This requires an additional capital payment by the council							

8 Analysis of Options

8.1 In reaching a decision on a preferred above ground option, we need to consider the 'best fit' between the financial /revenue implications the council's strategic objectives and its policy priorities set out above. In particular we need to incorporate into the evaluation the additional priorities to:

- Provide opportunities to deliver more low cost homes and
- To invest in projects that provide a sound financial return.

8.2 From the analysis it is reasonable to conclude that all the options could adequately meet these those objectives that are concerned with supporting the local economy, meeting the council's environmental objectives, providing good quality and accessible

facilities, and meeting local planning guidance.

8.3 Variation 3 will best address the objective of supporting local housing needs through the provision of new commercial properties and Intermediate Housing. However, the Social Housing may be difficult to fund through the HRA.

8.4 In contrast, Variation 1a will not require any capital input.

8.5 The table below provides a summary of how well each of the housing options meets key corporate objectives. Options are scored against these objectives on a scale of 1(lowest) to 5 (highest). The need to provide a financial return has been weighted to reflect its relative priority against the other objectives.

8.6 On the basis of this analysis and its assumptions, the **best options to pursue for further analysis are Variations 3a and 1a.**

	Baseline	Variation 1	Variation 1a	Variation 2	Variation 3
Objectives	Sell land above the car park to the developer - no further income	Council keep commercial property and social housing, developer sells market housing	As V1, but sell social housing to registered provider	As V1, but commercial property not built on ground floor	As V1, but with 10% intermediate housing also retained by council
Improved financial returns on council assets (based on NPV and revenue snapshot)	5	9	8	2	6
Support local economy and business in city centre	3	3	3	3	3
Meet Council's environmental objectives	3	3	3	3	3
Supporting local housing need	3	3	3	4	5
Providing good quality facilities	3	3	3	3	3
Consistent with local planning guidance	3	3	3	3	3
Totals	20	24	23	18	23

9 Mitigation Strategy for the Construction Period

- 9.1 It is acknowledged that redeveloping the car park will involve the loss for up to 2 years of Park Street's car parking capacity, including over 250 cycle parking spaces in Park Street.
- 9.2 The consultants' report includes a high level assessment of the impact of prolonged works to the site and a qualitative appraisal of the likely short and long-term impacts of the proposals for redevelopment of the car park on the existing highway and transport networks in Cambridge (Appendix 4).
- 9.3 The appraisal is based upon an assessment of car park occupancy figures, the accessibility of sustainable travel alternatives and the responses to the public and business consultation undertaken by the Council into the future of the car park.
- 9.4 The redevelopment of Park Street is likely to lead to a displacement of existing customers to other City Centre car parks. The short and longer-term impacts are discussed in section 5.16 (above).

Current Usage - Weekdays

- 9.5 During a typical weekday Park Street and the remaining City Centre multi-storey car parks generally have spare capacity at any point during the day. Grand Arcade tends to operate with the highest occupancy levels during a typical weekday, approaching capacity at peak times between 11am and 3pm.
- 9.6 On the basis of sample data taken in 2014/15, spare capacity in the other main city centre car parks at peak weekday occupancy times (Fridays around 1pm) –i.e. excluding Park Street - ranges between a low of 540 spaces in December to 1150 spaces in February. On current figures, the largest weekday capacity is at Grafton East car park, where typically spare capacity of more than 500 spaces has been routinely available
- 9.7 On the basis of demand patterns observed at Park Street throughout the past year, **the other city centre car parks are**

likely to need to absorb a typical maximum peak daily demand from Park Street customers of between 200 and 290 vehicles on most weekdays. On Saturdays and Sundays, and through much of December and the first two weeks of January this increases to a maximum of 360 vehicles.

- 9.8 On the basis of demand patterns observed at the other council car parks in the city centre, **there is therefore likely to be sufficient alternative capacity on all weekdays and evenings to accommodate the temporary loss of supply at Park Street.**

Current Usage – Weekends

- 9.9 The observed occupancy data indicates that during a typical weekend Park Street, Grand Arcade and Grafton West MSCPs are all likely to operate at the highest occupancy levels, approaching capacity at peak times. However, Grafton East and West and Queen Anne Terrace car parks are generally likely to have most spare capacity during a typical weekend.
- 9.10 On the basis of sample data taken in 2014/15, **the combined spare capacity in the main city centre car parks at peak weekend occupancy times (Saturdays and Sundays around noon) –i.e. excluding Park Street -ranges between a low of 250 spaces in December to 500 spaces in February.**

Proposed Approach

- 9.11 Given the available data on current demand, the following strategy is therefore proposed as a first step to mitigating the impact of the loss of these facilities during redevelopment, with the key aims of:
- Supporting the economic vitality of the area in the immediate vicinity of Park Street car park.
 - Increasing awareness of alternative sustainable travel modes for car drivers
- 9.12 Informal consultation with Cambridge Business Improvement District (BID) has identified two more specific objectives:
- To provide substitute spaces in the city

- to work in partnership with local businesses to incentivise shoppers, visitors and diners to stay loyal to the Park Street retail offer (details under consideration).

Alternative Car and Cycle Parking:

- 9.13 The council will promote alternative pay on foot parking available 24/7 in its multi-storey car parks at Grafton West,(280 spaces) Grafton East (874) and Queen Anne Terrace (570), and by providing pay and display/pay by phone parking at Castle Hill Pay and display car park (112) in the vicinity of Park Street.
- 9.14 In addition, Cambridgeshire County Council have agreed in principle to make available and manage pay and display/pay by phone parking at County Council offices at Shire Hall (up to 330 spaces) all day Saturdays and Sundays, and in the evenings, consistent with current existing car parking provision in the area.
- 9.15 **Through these arrangements there should be sufficient public car parking capacity in the city centre to accommodate almost all weekday, evening and weekend demand, if customers make use of the alternative available car parking at these times.**

Other Options

- 9.16 The provision of temporary and short-term public car and cycle parking spaces has been explored in the vicinity of Park Street, including informal discussions with representatives of neighbouring Trinity and Jesus Colleges. However, there appears at this stage to be little opportunity for additional public car or cycle parking to be available nearby.
- 9.17 The council will consult with the County Council about temporarily amending current maximum stays, to allow more flexible on-street parking for cars and cycles on nearby streets, for example in Jesus Lane and King Street. This has the potential to generate approximately 40 more 'shopper-friendly' car parking spaces in the local area.

Pre-booking and Marketing of car parking

- 9.18 Provision of online pre-booking facilities for car parking across the city centre in council car parks at key times-solution will be

procured to help motorists plan their journey and pre-purchase parking at key times.

- 9.19 Promotion of Park and Ride at Madingley Road – A publicity campaign will be developed to raise the profile of Park and Ride as an alternative transport option.

Park and Ride

- 9.20 The Council will investigate in more detail with the County Council the costs and potential demand for extending Madingley Park and Ride services at key times (weekends/evenings, and Christmas/January sales) with a view to alleviating demand for car parking at these times and will update members in due course.

Buses

- 9.21 Encouraging bus use by providing additional services to Park Street car park at key times (under investigation). The reintroduction of a city centre shuttle bus is likely to cost over £100K per year to operate.
- 9.22 The council is exploring costs with the County Council and bus/taxi operators for providing dedicated shuttle services from Grafton East to Park Street at key times.

Public conveniences

- 9.23 The future provision of public conveniences provided by the Council is the subject of a separate review in 2016. In terms of the temporary loss of the facilities at Park Street, inevitably some of the direct demand from car users will be reduced as a result of the loss of the car park facility during redevelopment. However, it is proposed to promote other city centre provision, at Drummer Street, Jesus Green and nearby at Quayside.

Generic Media/Communications Strategy in partnership with BID

- 9.24 The Council will work with Cambridge BID to develop and promote communications and marketing activities to support the message that 'Cambridge is Open for Business' in the lead-up and throughout the redevelopment period.

10 Conclusions and Recommendations

- 10.1 It is clear from a review of the structural assessment of Park Street car park shows that doing nothing is not an option. The existing car park is at the end of its useful life, and deferring action will simply store the problems for a later date and cost more in the long run. Significant additional maintenance costs, the risk of closure and subsequent loss of amenity and income would continue to follow from a decision to postpone a solution or to ignore the current problem.
- 10.2 There will inevitably be an impact from the loss of both car and cycle parking during the redevelopment of the car park. All the redevelopment options will mean a loss of facilities for a considerable period of time and involve disruption and inconvenience to customers and local business. A mitigation strategy is therefore proposed to help address this issue. Whilst an extensive set of measures are proposed it is recognised that these measures proposed cannot address the impact completely.
- 10.3 All redevelopment options will also involve the council losing parking revenue throughout the period of redevelopment and this loss of income has been incorporated into the business case for the proposed scheme.
- 10.4 The best business case, consistent with the council's strategic objectives and policy priorities is to redevelop the Park Street car park for underground car parking and to develop the land above ground for housing as part of a mixed development, in partnership with a housing developer.
- 10.5 In terms of addressing the council's housing objectives, the best value and most sustainable options for above ground works involve the council in supporting a mix of social, intermediate and market housing with the Council either owning and renting out the social housing or alternatively ensuring that a registered provider delivers this provision .

11. Implications

(a) Financial Implications

These are set out in the Exempt Appendices

(b) Staffing Implications

None

(c) Equality and Poverty Implications

An Equality Impact Assessment is being carried out.

(d) Environmental Implications

The options under consideration offer the potential in differing degrees to substantially improve the local environment in and around the car park site. A climate change rating of +M is suggested.

(e) Procurement

The procurement route is yet to be determined but a development partner will be procured to work with the Council to deliver this potentially complex construction project. This may be by way of a more traditional development agreement or if considered more appropriate by entering into a joint venture with a private sector partner. The route chosen will ensure that the Council retains the level of control required and optimises the financial return from the project. The choice of procurement route will be dictated by the further analysis of Variations 1a and 3 and any linkage between this project and any other Council development.

(f) Consultation and communication

The council has consulted with the public and businesses about the potential options for redeveloping the car park.

Informal consultation has taken place in advance of this report to consider how to mitigate the economic impact of the loss of public parking facilities in the immediate vicinity of the Park Street car park during the period of redevelopment.

A communications strategy will be prepared to publicise and consult on plans and proposals relating to this redevelopment, including potential planning application and mitigation arrangements.

(g) Community Safety

This policy is intended to have a neutral impact on Community Safety.

12. Background papers

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

1. Environment Scrutiny Committee Report 26 June 2012
2. Environment Scrutiny Committee Report 17 October 2014

13. Appendices

Appendix 1 - Relevance of Corporate Objectives and Strategic Priorities

Appendix 2 – CONFIDENTIAL-NOT FOR PUBLICATION
Consultants' Report 27 May 2015- Option Appraisal Regarding Redevelopment of Park Street Car Park (Bidwells and Parking Matters)

Appendix 3 - CONFIDENTIAL-NOT FOR PUBLICATION
Consultants' Addendum 3 August 2015

Appendix 4 - Technical Note: Advice regarding redevelopment of multi-storey car park

14. Inspection of papers

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

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Appendix 1 –

The relevance of Cambridge’s Corporate strategic objectives and policy priorities in assessing the best option for developing Park Street Car Park.

1. This section considers the relevance of the broader strategic objectives of the council and current Council priorities to the Park Street project .

Financial returns on Council Assets

- 1.1 The Council can consider using its assets to meet wider objectives than existing uses. This redevelopment gives the opportunity to consider incorporating commercial uses to generate new or increased revenue streams. The recent decision to invest in commercial property assumes approximately a minimum 5% initial return after costs but this depends upon risk.
- 1.2 Depending upon the final option chosen and the subsequent procurement route, there may be opportunity for additional return if the council is willing to share in the risk/reward from the development. This additional reward could vary from 50% of development profit through a joint venture to 100% of development profit if the Council was the developer (with the associated risk). The Head of Property Services is currently reviewing consultancy advice proposing a wider joint venture for commercial property development and this project could possibly be included in such a scheme.

Local economy and business in the city centre

- 1.3 Situated in the historic core of the city centre, Park Street car park is important to the city centre economy and is in a key strategic location to support retail business to the northern side of the city centre. Park Street is the closest and most convenient car park to the restaurants and pubs on Bridge Street, Quayside and Riverside and is used by visitors for shopping (33%) , leisure facilities (49%) and for other City Centre services, including for work (18%). The car park and cycle parking provision is an important facilitator of footfall in the area and public toilets on the ground floor are directly accessible from Park Street.
- 1.4 With 340,000 customers in 2014/15, the car park is an important revenue generator for the Council. It produces the second best annual revenue per space (£3.3K), after the Grand Arcade car park and in 2014/15 contributed £650K of revenue to the council before rent. Half of all Park Street customers park for two hours or less, with almost 90% parking for less than four hours. The car park services the independent retail sector well as it is the most convenient car park for people wishing to visit Bridge St, Magdalene St, St Johns St, Trinity St, Sussex St, Kings St and Sidney St, where many of the

independent shops are located. Park St car park is also a popular choice for visitors coming to the city in the evening given its close proximity to the Quayside and Bridge St restaurant area, and to local theatres. In addition to these stakeholders, the car park has a function to support other important community needs, including the local doctors' surgery on Bridge Street.

Environmental objectives

- 1.5 Managing the use of the Council's car parks forms part of a sustainable transport policy. Managing demand, especially during peak hours in the city is a key objective of current pricing policy. The current car parking portfolio in the city centre including Park Street forms part of a balanced set of facilities that supports the economic vitality of the city centre. The strategy to date has been to promote short stays through pricing, with longer stays accommodated in the main through Park and Ride services, and through the development of alternatives in the shape of bus travel, cycling and walking.

Local housing need

- 1.6 It is a strategic objective of the Council expressed in the 2015/16 Housing Portfolio Plan to "maximise the delivery of new, sustainable, high quality housing in a range of sizes, types and tenures, including developing plans to deliver up to 2000 new Affordable Homes". Providing new housing on land in the Council's ownership presents the best opportunity for the Council to exercise a degree of control over the quality, size, type and tenure of new housing within the planning policy framework.
- 1.7 Options 3 and 3b are the only options that consider an element of new housing as part of the redevelopment of the Park Street Car Park. As the preferred option redevelopment of the site in this way would present the opportunity for the Council to provide the 40% Affordable Housing that is required under planning policy (see 4.1.6 below) directly through the Housing Revenue Account, or by way of a tight specification for the delivery of the Affordable Housing by a Housing Association. In addition, as the Council is the landowner, it can decide whether an element of the market housing should be provided either on a sub-market or market rental basis to generate revenue return for the Council rather than a capital receipt.

Providing good quality facilities that are accessible, and making proper provision for disabled users and for cycle parking.

- 1.8 The continued provision of off-street car parking is recognised as necessary for people who depend on cars to access the city centre, for business, work and leisure. In the absence of this provision some users would simply go elsewhere, with a negative environmental impact and to the detriment of business vitality, undermining sustainability. Future strategy will continue to emphasise the promotion of short-stay parking with a focus on reducing journeys at peak times of congestion in the city centre (e.g. the morning rush). This strategy will be linked to the emerging City Deal proposals.

- 1.9 Overall Park Street is well-used by disabled customers, given its proximity to facilities in the northern sector of the city centre and given the limited alternative on-street capacity within the historic core. The cycle park continues to be well-used and there is a commitment to retain cycle parking in close proximity to local shops and colleges as well as incorporating public toilets within any future development of the Park Street site.

Local planning guidance

- 1.10 In terms of the project's compliance with the Council's Planning brief, as contained in the Cambridge Local Plan, redevelopment of the site will be required to be in keeping with the character of the surrounding area in order to comply with conservation policies. The brief indicates the following redevelopment characteristics would be considered desirable:
- Residential, student housing and office uses. The brief mentions the possibility of incorporating restaurant uses at ground floor along Round Church Street.
 - Uses which are not considered suitable are retail and hotel. The site has capacity to be up to 4 storeys, with the design required to minimise overlooking of Portugal Place and the harm to nearby occupiers. Building heights should be stepped down to 3 storeys on Park Street and adjacent to the Maypole Public House.
 - Pedestrian movement between Bridge Street, Park Street and Jacksons Yard should be maintained and there may be a possibility of creating links with Portugal Place.
 - The affordable housing policies contained within the local plan stipulate that prospective residential development schemes on sites of more 0.5 hectare or providing 15 or more dwellings are required to provide 40% of dwellings as Affordable Housing. The Draft Affordable Housing Supplementary Planning Document dated June 2014 states that housing provision of 15 units or more will require provision of 40% Affordable Housing. This is an important consideration in assessing the land value of the site for residential development.

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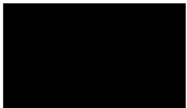
Appendix 4

AECOM Report

Park Street Multi-Storey Car Park, Cambridge

Technical Note: Advice regarding redevelopment of multi-storey car park


May 2015

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List of Acronyms

CCC	Cambridge City Council
MSCP	Multi-Storey Car Park
P&D	Pay and Display
P&R	Park and Ride

1 Introduction

1.1 Brief

AECOM Infrastructure & Environment UK Limited has been commissioned by Bidwells LLP to provide transport planning advice in respect of the potential redevelopment of Park Street Multi-Storey Car Park (MSCP) in Cambridge.

Specifically, AECOM have been instructed to provide a qualitative appraisal of the likely short and long-term impacts of three redevelopment options, as detailed below, upon the existing highway and transport networks in Cambridge to inform Bidwells' report to Cambridge City Council.

- **OPTION ONE** A refurbished multi-storey car park – Retention of the car park in its current form, subject to a programme of repair and refurbishment and retaining the existing cycle parking and public conveniences facilities. It is understood that for this option the capacity of the refurbished car park will be in line with the current number of spaces (i.e. 390 spaces).
- **OPTION TWO** Demolition and reconstruction of the multi-storey car park - Demolition of the existing multi-storey car park, to be replaced with an improved new multi-storey car park and replacing the existing cycle parking and ground level accessible public conveniences with equivalent facilities within the original footprint of the site. It is understood that the capacity for this option will be a minimum of 250 public spaces (understood to be aspiration for circa 300-350 spaces).
- **OPTION THREE** Redevelopment of the site for a) residential, b) commercial or c) a mixed-use development, to include an underground public car park - Consider as separate sub-options the alternative ways for redeveloping the site for residential, commercial or a mixed-use to include a public car park, and replacing the existing cycle parking and ground level accessible public conveniences with equivalent facilities within the original footprint of the site. It is understood that the capacity for this option will be a minimum of 250 public spaces (understood to be aspiration for circa 250-300 spaces).

The appraisal has been informed by a review of the previous Bidwells' report 'Park Street Multi-Storey Car Park - Consultancy Report' dated May 2012 and undertaken with cognisance to car park usage data and public consultation feedback provided by Cambridge City Council.

The scope of this technical note is limited to a qualitative appraisal of the likely short and long-term impacts of the proposals upon the existing highway and transport networks in Cambridge associated with each redevelopment option. It is based upon existing observed parking demand within the City Centre and does not seek to forecast future changes in parking demand. The scope of this technical note does not incorporate a detailed assessment of network capacity or an assessment of the likely impact of each option upon car park revenues.

1.2 Park Street Multi-Storey Car Park

Park Street MSCP is located within the historic core of Cambridge City Centre and provides a total of 390 car parking spaces and 282 covered cycle parking spaces at ground floor level. Park Street is a no-through road for private vehicles and the street is only used to provide access to the Car Park. Park Street is accessed via Jesus Lane which links the site with the highway network north of the River Cam via Victoria Avenue and Maids Causeway/Newmarket Road to the east. Traffic controls within the historic core and the location of the River Cam means that Park Street MSCP can only be accessed from the north-west and north of the City by travelling via the A1303 Chesterton Road and Victoria Avenue.

Park Street MSCP is the closest and most convenient car park and is an important facility for independent retailers in the immediate area and for restaurants and pubs situated on Bridge Street and along Riverside, used by visitors for shopping, leisure facilities and for other City Centre services. Although there are various modes of public transport enabling access to the City Centre, including Park & Ride, Guided Bus and other bus routes, the car park is considered to be of importance given the shortage of alternative parking facilities in close proximity and the relatively large percentage of spaces the car park provides within the historic core.

2 Car Park Usage

2.1 Overview

Cambridge City Council (CCC) operates five Multi-Storey Car Parks (MSCPs) within the City Centre of which Park Street is the only car park located north of the Market Square within the historic core of the City. The only other car park located within the area loosely defined as the 'historic core' is the Grand Arcade MSCP. CCC also operates the Adam & Eve and Castle Hill surface Pay and Display (P&D) car parks within a 1.5 kilometre radius of Park Street. Table 2-1 identifies the alternative City Centre car parks available to drivers, their capacity, average weekly usage and relative distance from Park Street.

Car Park	City Centre 'Area'	Capacity (No. spaces)	Average Weekly Usage (Vehicles) 2014/15	Distance from Park Street (km)
Park Street	Historic Core	390	6,522	-
Grand Arcade	Historic Core	953	20,134	0.6km
Grafton East	Fitzroy-Burleigh	874	8,397	1.1km
Grafton West	Fitzroy-Burleigh	280	5,830	0.9km
Queen Anne Terrace	Fitzroy-Burleigh	570	6,436	1.5km
Adam & Eve P&D	Fitzroy-Burleigh	50	1,315	1.5km
Castle Hill P&D	Outside Centre	115	945	0.9km

Table 2-1. Cambridge City Centre Car Parks

Park Street MSCP comprises approximately 12% of the total spaces operated by CCC within the City Centre and circa 30% of the total spaces within the historic core itself. During the year 2014/15 Park Street comprised approximately 13% of the total average weekly usage of car parking capacity in the City Centre, consistent with its level of provision of car parking spaces. Park Street comprised approximately 25% of the total average weekly usage of car parking capacity within the historic core during the 2014/15 period, slightly lower than its level of provision of car parking spaces, relative to the Grand Arcade MSCP, which is the largest and most well used car park in Cambridge, reflecting its proximity to the prime shopping area in the City.

2.2 Car Park Occupancy

Car park occupancy figures provided by CCC for City Centre car parks have been analysed and the maximum weekday and weekend occupancy rates observed for each car park for the surveyed weeks during February, July, October and December 2014 are summarised in Tables 2-2 and 2-3 below.

Car Park	Capacity (No. spaces)	Maximum Weekday Occupancy (% of total capacity)			
		February 2014	July 2014	October 2014	December 2014
Park Street	390	57%	74%	53%	91%
Grand Arcade	953	75%	81%	91%	97%
Grafton East	874	34%	39%	34%	62%
Grafton West	280	60%	70%	78%	93%

Car Park	Capacity (No. spaces)	Maximum Weekday Occupancy (% of total capacity)			
		February 2014	July 2014	October 2014	December 2014
Queen Anne Terrace	570	62%	68%	68%	80%

Table 2-2. Maximum Weekday Car Park Occupancy Rates

Car Park	Capacity (No. spaces)	Maximum Weekend Occupancy (% of total capacity)			
		February 2014	July 2014	October 2014	December 2014
Park Street	390	92%	93%	90%	97%
Grand Arcade	953	83%	95%	95%	95%
Grafton East	874	73%	72%	90%	89%
Grafton West	280	91%	93%	90%	96%
Queen Anne Terrace	570	87%	84%	84%	80%

Table 2-3. Maximum Weekend Car Park Occupancy Rates

The observed occupancy data indicates that during a typical weekday Park Street and the remaining City Centre MSCPs are generally likely to have spare capacity at any point during the day. Grand Arcade tends to operate with the highest occupancy levels during a typical weekday, approaching capacity at peak times.

The observed occupancy data indicates that during a typical weekend Park Street, Grand Arcade and Grafton West MSCPs are likely to operate with the highest occupancy levels, approaching capacity at peak times. Grafton East and Queen Anne Terrace MSCPs are generally likely to have spare capacity during a typical weekend.

Occupancy profiles for a typical week during February, July, October and December 2014 for each of the MSCPs identified above are illustrated by Figures 2-1 to 2-5 below.

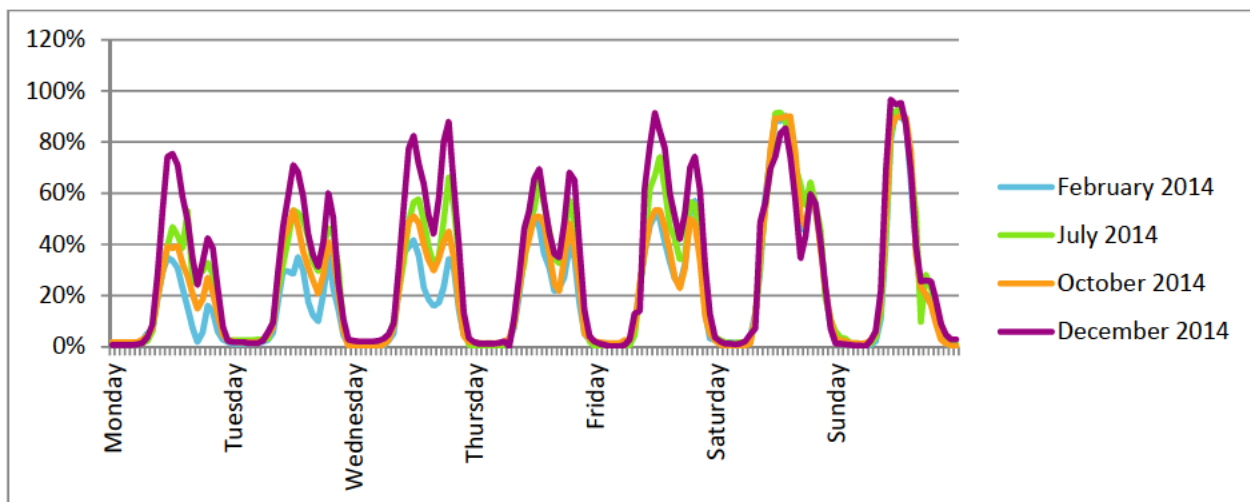


Figure 2-1. Park Street Occupancy Profile

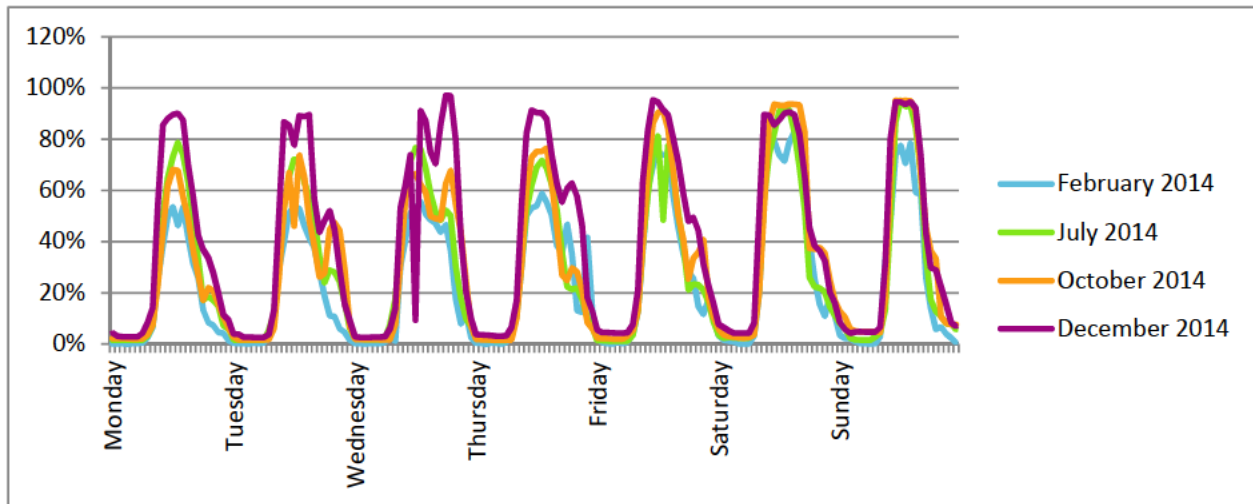


Figure 2-2. Grand Arcade Occupancy Profile

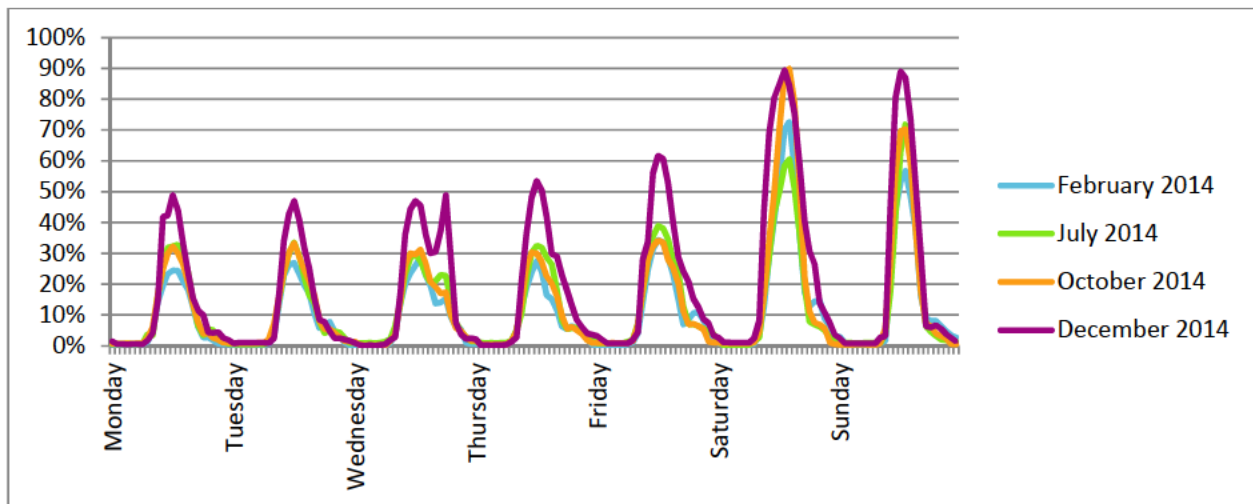


Figure 2-3. Grafton East Occupancy Profile

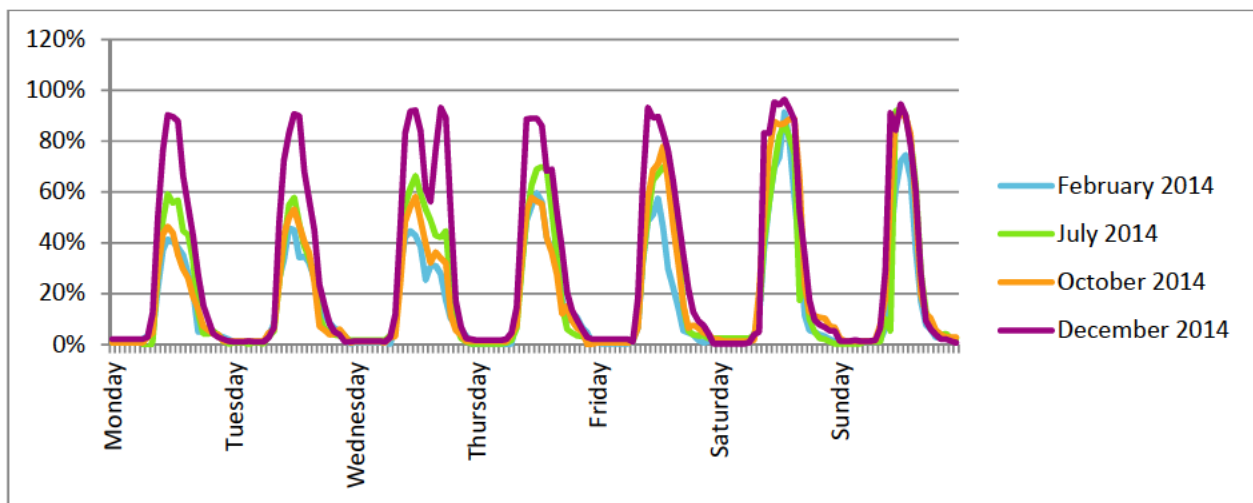


Figure 2-4. Grafton West Occupancy Profile

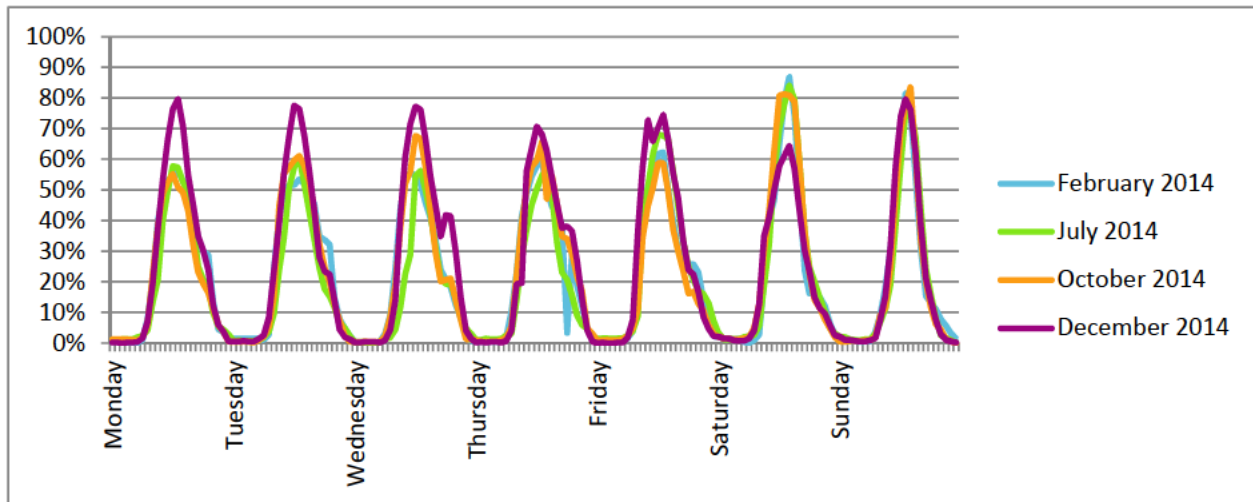


Figure 2-5. Queen Anne Terrace Occupancy Profile

2.3 Average Length of Stay

The average length of stay at each of the MSCPs has been obtained from the CCC usage data and is set out in Table 2-4 below.

Car Park	Short/Long Stay	Average Length of Stay (Minutes) 2014/15	Average Length of Stay (Minutes) 2013/14
Park Street	Short-Stay Parking	144	142
Grand Arcade	Short-Stay Parking	136	133
Grafton East	Short-Stay Parking	129	125
Grafton West	Short-Stay Parking	97	95
Queen Anne Terrace	Long-Stay Parking	191	189
All MSCPs	-	139	136

Table 2-4. Average Length of Stay

3 Sustainable Transport

3.1 Mode Choice

A very high percentage of Cambridge's population chooses sustainable travel modes over the private car when compared to the East of England and England statistics. The 2011 census data (Table 3-1) demonstrates that approximately 62% of the resident population in Cambridge chose methods of travel other than the private car, compared to 59% in 2001 (Table 3-2). Similarly, 44.5% of the daytime population in 2001 (Table 3-3) chose sustainable travel options. Comparative daytime population data for 2011 is not currently available.

When compared to the East of England and National figures, the Census data indicates that the provision of public transport links and cycle facilities within Cambridge and the general awareness and uptake of travel alternatives to the private car by the local population is strong within the City and surrounding area.

Mode	Market Ward	Cambridge District	East of England	England
Driving a car or van	19.5%	33.8%	65.4%	60.2%
Bus, train, motorcycle, taxi etc	14.1%	12.7%	13.3%	18.4%
Bicycle	30.4%	31.9%	3.7%	3.1%
On foot	33.5%	16.9%	10.7%	11.3%
Other	1.0%	0.6%	0.7%	0.7%

Table 3-1. 2011 Method of Travel to Work – Resident Population

Mode	Market Ward	Cambridge District	East of England	England
Driving a car or van	26.3%	41.0%	65.0%	60.5%
Bus, train, motorcycle, taxi etc	12.0%	15.0%	20.2%	24.9%
Bicycle	23.8%	28.3%	4.3%	3.1%
On foot	36.8%	15.3%	10.0%	11.0%
Other	1.1%	0.4%	0.5%	0.5%

Table 3-2. 2001 Method of Travel to Work – Resident Population

Mode	Market Ward	Cambridge District	East of England	England
Driving a car or van	39.1%	55.5%	68.6%	60.6%
Bus, train, motorcycle, taxi etc	26.9%	16.8%	15.5%	24.9%
Bicycle	21.7%	18.1%	4.7%	3.1%
On foot	12.1%	9.3%	10.9%	11.0%
Other	0.3%	0.3%	0.4%	0.4%

Table 3-3. 2001 Method of Travel to Work – Daytime Population

The opportunity for access to sustainable modes of transport is very high in Cambridge and provides both residents of and visitors to the City with a wealth of options as alternatives to the private car.

3.2 Walking and Cycling

Cycling is the number one choice for sustainable transport in Cambridge. Being a compact and flat city, cycling and walking are quick, cheap and pollution-free methods of travel. Cambridge has a network of dedicated cycle lanes throughout the city and has created a pleasant cycling environment with shared paths and a good level of facilities such as cycle parking and cycle training available through the Council.

3.3 Public Transport

3.3.1 Park and Ride

Cambridge has five Park and Ride sites located around the City providing regular buses serving the City Centre as identified by Table 3-4 below.

Park & Ride Site	Maximum No. Car Parking Spaces
Babraham Road	1458
Madingley Road	930
Milton	792
Newmarket Road	Front 259 Back 614
Trumpington	1340

Table 3-4. Cambridge Park and Ride Sites

Weekly passenger information provided by CCC for the Park and Ride sites, representing a year on year comparison of passenger volumes for 2013 and 2014, has been analysed and is illustrated by Figure 3-1 below.

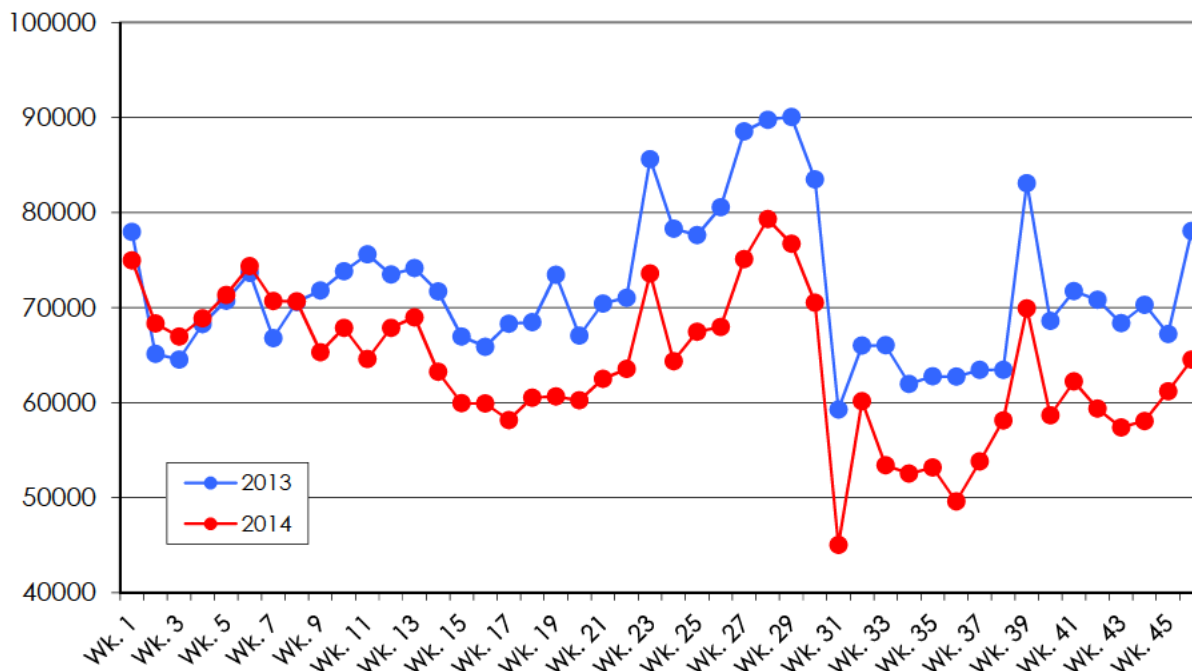


Figure 3-1. Cambridge Park and Ride - Year on Year Passengers

Figure 4-1 illustrates that passenger volumes on the Cambridge Park and Ride services appear to have fallen by an average of circa 8000 passengers per week for 2014 when compared to 2013. Cambridgeshire County Council introduced a £1 parking charge for Park & Ride car parks during 2014 and a corresponding 15% fall in passenger numbers has been widely reported.

The observed passenger data indicates that the existing Park and Ride services are currently operating with spare capacity.

3.3.2 The Busway

The Cambridgeshire Guided Busway connects Cambridge to Huntingdon and St Ives. The Busway operates regular buses serving the City Centre from the north-west of the City. The Busway is served by three Park & Ride sites at Trumpington (see above), St Ives (500 spaces) and Longstanton (350 spaces). Car parking charges are due to be introduced at the Busway Park & Ride Sites from 14 May 2015, consistent with the charge already applied to Cambridge Park & Ride sites.

3.3.3 Bus Services

Drummer Street Bus Station is located approximately 800m walking distance from Park Street and provides access to a range of regular bus services including the Cambridge Citi routes operated by Stagecoach. The provision of public transport services in Cambridge is very high and provides a viable alternative for both residents of and visitors to the City as an alternative to the private car.

4 Public Consultation Feedback

4.1 Overview

A public consultation exercise was undertaken by Cambridge City Council (CCC) between 18 August and 19 September 2014 regarding the future of Park Street Car Park. The consultation was conducted using an online survey, exhibitions, and printed questionnaires. A second online survey was carried out with members of the Cambridge Business Improvement District (CBID) to understand business perceptions in Cambridge of the impact of the proposed options.

CCC identified the key findings from the consultation as being that:

- A clear majority of responses preferred the option to replace the car park with a new underground car park with a mixed residential and/or commercial development above ground.

CCC identified the key findings from the analysis of respondent feedback as being:

- Important concerns exist, particularly from some businesses over the potential economic impact to them of a wholesale redevelopment of the site.
- Interim parking arrangements while works are undertaken for both car and cycle users will be a critical factor during any development or refurbishment period.
- The cycle parking facility is highly valued and there is a desire to increase its size.
- There is a desire to at least maintain, and ideally increase, the number of car parking spaces;
- There is also a desire to reduce the number of car park spaces or remove the car park entirely;
- The project offers the opportunity to improve the architecture/visual attractiveness of the area.

With respect to the scope of this appraisal the key finding is the confirmation that the provision of interim parking arrangements whilst works are undertaken is a concern for respondents to the survey.

4.2 Summary of Public Consultation Survey Responses

4.2.1 How often do you visit Park Street Car Park?

Answer Options	Response Percent	Response Count
More than once a week	17.7%	145
Less than once a week	61.1%	499
Never	21.2%	173

4.2.2 When you visit Park Street Car Park where are you travelling from?

Answer Options	Response Percent	Response Count
Within Cambridge city	47.0%	296
Within Cambridgeshire	45.2%	285
Outside Cambridgeshire	7.8%	49

4.2.3 When you park in Park Street Car Park what is the purpose of your visit?

Answer Options	Response Percent	Response Count
Work/Study	18.6%	117
Shopping	32.4%	204
Leisure/Other	49.0%	308

4.2.4 Which option for Park Street Car Park do you prefer?

Answer Options	Response Percent	Response Count
Repair existing car park	26.2%	195
Build a new above ground car park	18.6%	138
Build a new underground car park with residential/commercial development above	55.2%	410

4.2.5 If a new underground car park is built, would you prefer to see this combined with residential, commercial or mixed-use development?

Answer Options	Response Percent	Response Count
New underground car park with residential development above	24.5%	182
New underground car park with commercial development above	18.4%	137
New underground car park with mixed-use development above	57.1%	424

The headline results from the public consultation set out in Section 4.2 indicate that the majority of respondents (61.1%) visit the Park Street MSCP less than once per week on average, are generally local to the City itself (47.0%) or within Cambridgeshire (45.2%) and are likely to use the car park for short-stay visits associated with shopping (32.4%) and other leisure activities (49.0%). The respondents identify a general preference for Option 3, comprising a redevelopment of the site to accommodate an underground car park associated with a mixed-use development above.

4.3 Summary of Business Consultation Survey Responses

4.3.1 What percentage of your customers visit Park Street Car Park?

Answer Options	Response Percent
Up to (but no more than) 33%	46.0%
Up to (but no more than) 66%	21.0%
Over 66%	13.0%
Unsure	21.0%

4.3.2 How important is it to your business that alternate parking provision is identified during the disruption period?

Answer Options	Response Percent
Not important	15.9%
Quite important	25.4%
Very important	58.7%

The headline results from the business consultation set out in Section 4.3 indicate that the majority of respondents (46.0%) perceive up to a third of their customers to be users of Park Street MSCP, 21.0% up to two thirds of their customers and 13.0% greater than two thirds of their customers. The majority of respondents (58.7%) consider that the provision of alternative parking for users of Park Street MSCP is likely to be important to their business during the disruption period.

5 Transport Impact of Redevelopment Options

5.1 Closure of Park Street MSCP for Redevelopment

Park Street MSCP is a well used short-term car park in the heart of the Historic Centre of Cambridge, serving access to shopping and leisure facilities within the historic core, and has a notable evening and weekend patronage.

Based upon the available data, a temporary closure of the car park for redevelopment is likely to displace in the region of 1,000 vehicles per day on average. These displaced drivers will need to find parking accommodation elsewhere, choose another mode of transport into the city or else choose to visit another centre. It is considered that the temporary loss of car parking at Park Street MSCP would result in a significant depletion in parking provision in Cambridge City Centre.

The potential impact in terms of traffic and transport with regard to the temporary closure of Park Street MSCP for redevelopment could be significant. Cambridge City Council own and operate car parks comprising approximately 3,232 car parking spaces centrally. This is considered to be a relatively low provision when viewed against the level of shopping, leisure and educational facilities in the centre of the City. The low parking provision is offset to some extent by high usage of sustainable travel modes including excellent Park & Ride facilities, good public transport services and cycle /pedestrian networks. However, it is recognised that a certain level of parking must be provided to ensure trips that need to be undertaken by car are facilitated, and to allow individual choice.

Analysis of the occupancy data provided illustrates that during the typical working week there is likely to be some capacity in the nearest alternative car parks within the City Centre to accommodate the anticipated displacement should Park Street be closed for redevelopment. At weekends City Centre MSCPs are observed to operate at close to capacity and additional demand has potential to create a knock on impact in congestion in adjacent car parks and on the surrounding highway network.

In the event of a temporary closure of Park Street, or a reduction in capacity as a result of redevelopment, it is reasonable to assume that the majority of displaced traffic will be likely to choose to use the nearest and most convenient alternative car park, based upon driver origin and destination requirements.

In view of its proximity to the prime shopping areas and historic core, Grand Arcade MSCP, which is located approximately 800m walking distance from Park Street, is considered to be the most likely choice for displaced drivers, particularly those entering the City from the south. Alternatively Grafton West MSCP, which is located approximately 1km walking distance east of Park Street, or Castle Hill P&D, located approximately 1km walking distance west of Park Street, may be attractive options to drivers entering the City from those directions and the north.

Vehicles displaced by the temporary closure and/or redevelopment of Park Street MSCP and travelling from the north of the City to access the Grand Arcade MSCP will be directed towards the site via the A1134 Queens Road and The Fen Causeway to the west of the City Centre or the A603 East Road, Gonville Place and Lensfield Road to the east. The direct impact is that this is likely to result in additional trips on the road network on the south side of the City Centre.

The road network to the south of the City Centre is already observed to be congested at peak times. It is difficult to gauge the actual impact of the displacement of Park Street users to the alternative car parks without thorough analysis of observed traffic data and origin / destination surveys, however it is considered reasonable to assume there is likely to be a negative impact on parking capacity at Grand Arcade and adjacent City Centre car parks which in turn could cause queuing and congestion in the immediate locality with a knock-on effect throughout the network.

Usage data suggests that Grafton West, Grafton East and Queen Anne Terrace MSCPs would likely be able to accommodate the displaced vehicles that would typically use Park Street during the weekday and at weekends. As such it is considered that between Grand Arcade, both Grafton car parks and the Queen Anne Terrace car park sufficient spare capacity is expected to be available to accommodate all of the parking demand. It is noted however that drivers are likely to favour alternative parking options that are most convenient to their specific origin, destination and trip purpose circumstances.

It is therefore considered unlikely that visitors choosing short stay visits to the historic core would seek to make use of Grafton West, Grafton East or Queen Anne Terrace MSCPs or the available Castle Hill and Adam & Eve P&D car parks in preference to Grand Arcade, given the perception of their relative distance to the prime shopping and City Centre areas.

Although there is a good provision for bus based public transport at a local level and accessibility to sustainable transport options within the City, it is considered unlikely that there would be a significant modal shift to bus and/or alternative transport modes by shoppers and short-stay visitors, who are more likely to use a private car for convenience and for onward travel.

All of the Park & Ride buses stop at Drummer Street which is approximately 500m from the historic core. Whilst it is considered that there may be some potential to encourage Park Street patrons to use the Park & Ride for longer trips to the City Centre, of say 2-3 hours, it is unlikely that those who wish to have only a 1-2 hour stay in Cambridge will consider Park & Ride a viable option for their journey as the perception of changing mode to Park & Ride is likely to be that it will add more time and cost to the trip.

Whilst it is reasonable to assume that some drivers would consider making their trips by alternative modes or would at least be more likely to be influenced to use Park & Ride and/or The Busway as an alternative to the private car if parking provision in the historic core was reduced, given the type of patrons using Park Street i.e. predominantly short term leisure users and based on the length of stay information, it is unlikely that any modal shift would occur in high enough numbers to be perceptible in daily fluctuations of traffic, i.e. there would be no noticeable reduction in car journeys as a result of a modal shift to park and ride, bus services or bicycles.

5.2 Option One

5.2.1 Short-term Impact

The short-term impact of the temporary closure of Park Street MSCP for redevelopment will require the displacement of existing patrons of the site to other City Centre car parks. The likely short-term impacts of the refurbishment are likely to be as described in Section 5.1 above.

5.2.2 Long-term impact

Option One assumes that the long-term capacity of Park Street MSCP will be consistent with the existing capacity of 390 spaces. As such it is considered that the long-term impacts of the refurbishment are likely to be negligible in transport terms.

5.3 Option Two

5.3.1 Short-term Impact

The short-term impact of the temporary closure of Park Street MSCP for redevelopment will require the displacement of existing patrons of the site to other City Centre car parks. The likely short-term impacts of the redevelopment of the site to provide a new MSCP are likely to be as described in Section 5.1 above.

5.3.2 Long-term impact

A reduction to 300-350 parking spaces as part of the redevelopment of a new Park Street MSCP would be expected to have a slight impact upon parking capacity. This level of parking provision would be expected to meet the existing weekday demand and although there would be fewer spaces available, the demand would be largely satiated, with the exception of peak periods such as the run-up to Christmas. At weekends the likely demand for spaces is anticipated to exceed supply at peak times (circa 12:00-16:00 Saturdays and 11:00-15:00 Sundays) and could be anticipated to result in queuing / congestion at the car park and/or the displacement of excess vehicles to other car parks within the City Centre.

The occupancy figures indicate that if Park Street MSCP were to accommodate 300-350 parking spaces the average maximum weekday occupancy (over February, July and October) would be up to 80% of forecast capacity and on weekends up to 119% of forecast capacity. Although 300 spaces would not fully accommodate the busiest time periods such as at weekends and in the run-up to Christmas, it is considered that this level of car parking will cater for the majority of existing weekday demand which will allow the surrounding area and businesses to continue to benefit from the custom of car park patrons and pedestrian through traffic.

It is considered likely that the shortfall of spaces at the busiest weekend periods will result in displacement to other car parks and this has the potential to increase congestion on the approach roads to the Grand Arcade and highways to the south of the City Centre.

It is considered unlikely that the reduction in car parking spaces will cause a modal shift in transport terms.

5.4 Option Three

5.4.1 Short-term Impact

The short-term impact of the temporary closure of Park Street MSCP for redevelopment will require the displacement of existing patrons of the site to other City Centre car parks. The likely short-term impacts of the redevelopment of the site to provide a residential, commercial or mixed use development in association with underground public car park are likely to be as described in Section 5.1 above.

5.4.2 Long-term impact

A reduction to 250-300 parking spaces as part of a residential, commercial or mixed use redevelopment of the Park Street MSCP would be expected to have a significant impact upon parking capacity. This level of parking would be expected to meet most of the existing weekday demand, however reflecting the reduction in spaces available, demand is anticipated to be very close to capacity and likely to be exceeded at peak times such as the run-up to Christmas. At weekends the likely demand for spaces is anticipated to exceed supply at peak times (circa 11:00-16:00) and could be anticipated to result in queuing / congestion at the car park and/or the displacement of excess vehicles to other car parks within the City Centre.

The occupancy figures indicate that if Park Street MSCP were to accommodate 250-300 parking spaces the average maximum weekday occupancy (over February, July and October) would be up to 96% of forecast capacity and on weekends up to 143% of forecast capacity. Although 250 spaces would not fully accommodate the busiest time periods such as at weekends and in the run-up to Christmas, it is considered that this level of car parking will cater for the majority of existing weekday demand which will allow the surrounding area and businesses to continue to benefit from the custom of car park patrons and pedestrian through traffic.

It is considered likely that the shortfall of spaces at the busiest weekend periods will result in a displacement to other car parks and this has the potential to increase congestion on the approach roads to the Grand Arcade and highways to the south of the City Centre.

It is considered unlikely that the reduction in car parking spaces will cause a modal shift in transport terms.

5.5 Summary and Conclusion

This technical note has considered a qualitative appraisal of the likely short and long-term impacts of the proposals for redevelopment of the Park Street MSCP upon the existing highway and transport networks in Cambridge associated with each of the redevelopment options outlined in Section 1.1. The appraisal is based upon an assessment of car park occupancy figures provided by Cambridge City Council, the accessibility of sustainable travel alternatives and the responses to public and business consultation undertaken by Cambridge City Council into the future of Park Street MSCP.

The appraisal identifies that the redevelopment of the Park Street MSCP is likely to lead to a displacement of existing patrons to other City Centre car parks in the short-term in all three options. It is anticipated that sufficient capacity exists to accommodate displaced parking in the short-term across other City Centre car parks however it is noted that drivers are likely to have a preference for Grand Arcade MSCP, given the perception of its relative proximity to the prime shopping and City Centre areas. The road network to the south of the City Centre is already observed to be congested at peak times and it is considered reasonable to assume there is likely to be a negative short-term impact on parking capacity at Grand Arcade and adjacent City Centre car parks associated with the redevelopment of Park Street MSCP which in turn could cause queuing and congestion in the immediate locality with a knock-on effect throughout the network. It is considered unlikely that the temporary reduction in car parking spaces will cause a short-term modal shift in transport terms.

The appraisal identifies that each of the long-term options for Park Street MSCP are likely to be sufficient to accommodate the majority of existing weekday demand and will allow the surrounding area and businesses to continue to benefit from the custom of car park patrons and pedestrian through traffic. Option 1 is likely to have a negligible long-term impact upon the highway network as it restores the existing capacity of the car park. The appraisal identifies that a reduction in capacity associated with Options 2 and 3 would not fully accommodate parking demand at the busiest time periods such as at weekends or in the run-up to Christmas and will likely result in a displacement to other car parks with the potential to increase congestion on the approach roads to the Grand Arcade MSCP and highway network to the south of the City Centre. It is considered unlikely that the long-term reduction in car parking spaces associated with Options 2 and 3 will result in a modal shift in transport terms.

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To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert
Report by: Director of Environment
Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 12/10/2015
Wards affected: All

FLEET MAINTENANCE AND MANAGEMENT SERVICE

Key Decision

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

1. Executive summary

The garage service located at Mill Road Depot will need to vacate the site by March 2017 to enable redevelopment of the land. The report proposes an approach for the future vehicle maintenance and vehicle management for the City Council and for Shared Waste Service vehicles.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the proposal to establish a fleet maintenance and management facility at Waterbeach.
- 2.2 To agree the principles for the provision of fleet maintenance and management services to SCDC (Shared Waste Service) and delegate authority to negotiate and agree full terms to the Director of Environment including to delegate to the Head of Property Services the power to complete a lease for 10 years with a 7 year break clause.

- 2.3 To delegate to the Director of Environment all actions necessary to establish a Fleet Maintenance and Management facility at Waterbeach taking into account the outcome of recommendation 2.4.
- 2.4 To agree that the Director of Environment and the Chair of the Licensing Committee meet with representatives of the taxi trade to discuss the proposed changes and any impact on their businesses to inform a report to the Licensing Committee on these issues.

3. Background

- 3.1 The Garage Service maintains all the City Council fleet and the major users of the service are: Waste, Streets and Open Spaces and Estates and Facilities. The Garage also earns income for the general fund of the Council through MOTs and Servicing for external customers and taxi compliance testing. The Cambridge City fleet are currently managed and maintained by the in-house Garage Service which provides:
- the maintenance & servicing of fleet including: routine servicing of vehicles, defects repairs, replacement tyres, replacement parts, accidents repairs, breakdown services, vehicle recovery, MOTs and MOT preparation for HGVs; and
 - the management of fleet including: full maintenance scheduling, procurement, disposal, financial planning, operator licensing, legal, accident management, fuel management, vehicle location tracking management, staffing and training.
- 3.2 The City Council has expressed its intention to dispose of Mill Road Depot as part of its building rationalisation programme and to meet needs for affordable and social housing within the City. It is anticipated that the Mill Road Depot Site will be vacated and available for redevelopment by mid-2017.
- 3.3 Shared Waste Service is bringing together the management of the refuse collection activity for both Cambridge City Council and South Cambridgeshire District Council whilst each authority retains ownership of its own fleet. Whilst the project will examine the future service delivery model for the refuse collection service in the longer term currently there is no timescale for delivering this change.
- 3.4 South Cambridgeshire District Council Waste Fleet is maintained by a local HGV garage some eight miles from Waterbeach and the fleet management is provided by an in-service resource.

3.5 Officers have considered three options for the future delivery of fleet maintenance and management services:

Option 1: a comprehensive service operating out of Waterbeach Depot, for all current Cambridge City Council customers and the Shared Waste Service with the capacity to generate additional income from commercial customers. The cost of running the service (in year 4) is £738,980 per annum with estimated income totalling £765,040 income.

Option 2: a service for City Council vehicle maintenance requirements and taxi testing. The Shared Waste vehicles would not be maintained under this option and the City Council would need to incur costs to maintain its own refuse vehicles by other means. It would make no provision for other income generating commercial activity. The fleet maintenance facility would be based at a location within Cambridge City. The cost of running the service would be £167,510 with estimated income of £228,490.

Option 3: A procured service approach. South Cambridgeshire District Council and the City Council could establish a joint procurement partnership for all the vehicle maintenance and management needs.

3.6 Officers recommend Option 1 as this provides the most effective means to meet the Council's fleet needs as well as the expanded operating hours for the Shared Waste Service and the bigger premises would allow the service to develop and meet the challenge to take on additional external work. Option 2 is not recommended given that this arrangement would not deliver efficiencies around a combined facility for both Shared Waste and other Fleet needs. There is a clear benefit in the provision being co-located on one site next to the Waste fleet. Similarly Option 3 is subject to uncertainty of outcome and may not result in the operational and financial benefits of Option 1.

3.7 The Shared Waste Board, which oversees the establishment and operation of the Shared Waste Service, has agreed in principle to procure fleet maintenance services from Cambridge City Council as described in Option 1 subject to officers confirming that service, budget and procurement requirements can be met.

4. Implications

(a) Financial Implications

- 4.1 A summary of the costs and income of the current service and the preferred option are set out below. Detailed costs and income analysis are in Appendix 1.

	Current Service £	Option 1 £
Total Costs	582,470	738,980
Total Income	-550,750	-765,040
Income breakdown		
Shared Waste	0	-301,230
external income	-212,750	-241,480
Other CCC	-338,000	-222,330

- 4.2 The model makes a conservative estimate of the commercial income based on known interested parties. However, this income is not as yet secured. There are restrictions on the total amount of external income that can be generated before EU procurement rules applies. The estimated level of external to local authority based income is well within the 80/20 ratio within which EU procurement is not required.
- 4.3 In addition to the annual operating costs there will be one off costs to establish the service at the new location. These costs are presented at Appendix 1b and below:

	One off Set up Costs £	Additional rental for landlord investment £ per annum
Option 1	63,370	7,800

- 4.4 The cost of retaining an option on the lease of the garage facility in the event of any delay in decision to proceed would be an additional £80,000 for one year.
- 4.5 The landlord would make a capital investment of circa £130k to install an Authorised Testing Facility lane and an MOT bay, this capital investment will be passed on to Cambridge City Council in the form of annual rent for the life of the lease and has been included in the cost appraisal.

4.6 A travel to work package for staff will be part of the set up costs and based on method of travel and differential in travel to work distances between home and current work and the new location.

(b) Staffing Implications

4.7 The proposal secures employment for the current staff of 10.5 FTE to 13 FTE in order to meet the demand for vehicle maintenance from the Shared Waste Service.

(c) Taxi Business Implications

4.8 As the Licensing Authority the City Council is responsible for the health and safety for passengers being carried by hackney carriage vehicles and private hire vehicles. Currently the Council policy on licensed vehicles is that they get inspected twice a year and are issued a certificate of compliance which is a standard above an MOT. This test is carried out at Mill Road Garage by City Council fitters and usually takes one hour with the taxi drivers waiting whilst the check is done. It is important that any such test is to a standard that the licensing authority has control over and by continuing to keep it in-house the Council has much better control. It allows for consistency, and any issues raised can be resolved directly with the Fleet Manager, it also allows the Council to ensure that the vehicles are tested to the National Inspection Standards Best Practice Guide.

4.9 The Taxi Licensing Trade will need to be consulted on the impact of the proposed move to Waterbeach, and any such change will have to be approved at a Licensing Committee as this will result in a change to the taxi licensing policy. Regular meetings of a Taxi Forum take place and there is an opportunity for the Chair of the Licensing Committee and the Director of Environment to meet with representatives of the taxi trade before a report to the Licensing Committee is prepared.

(d) Equality and Poverty Implications

4.10 An Equality Impact Assessment has been conducted on this service change.

4.11 There will be a change to workplace and staff will be adapting their method of home to work/work to home travel as result. A 'Travel Group' has been established with managers, staff from each section within the City and South Cambs Waste Service and the Unions. This Group has been asked to assist in developing a Travel Plan that supports employees to access the Waterbeach site or, alternatively,

allow the design of the new shared service to take account of access issues for staff. The scope of this group's work will be extended to incorporate the needs from Fleet Services.

(e) Environmental Implications

- 4.12 Moving the vehicle maintenance facility to the site adjacent to the Shared Waste Depot will limit the vehicle movements for that fleet to and from alternative servicing locations and therefore have a minor positive impact +L

(f) Procurement

- 4.13 Cambridge City Council would not be required to undertake a competitive procurement process in order to acquire the lease and set up the Fleet Service Facility at Waterbeach.
- 4.14 South Cambridge District Council (SCDC) senior management responsible for Waste Service has indicated a willingness, in principle, to utilise the Cambridge City Council's Fleet Service Facility for the management and servicing of SCDC's vehicles within the Shared Waste fleet if the cost to SCDC was favourable or as compared to competitive open-market rates. SCDC are currently considering whether obtaining vehicle maintenance services from the City Council for the purposes of the Shared Waste Service is permissible without recourse to competitive tender. Cambridge City Council officers are of the view that SCDC could do so as an element of the Shared Waste Service without recourse to competitive tender as it would form part of the mutual resources of the shared service.
- 4.15 In the context of shared or cooperative services between local authorities, regulation 12 (7) of the Public Contract Regulations 2015 imposes restrictions on the proportion of the activities concerned in a shared service that can be undertaken on the open market without those activities being subject to EU Public Procurement rules. The level of works or services undertaken on the open market must not exceed 20% of the activities as a whole. Consequently, it is the understanding of officers that, if the Fleet Service Facility was utilised as a shared resource within the Shared Waste Service, the City Council would have to ensure that services undertaken by the Fleet Service Facility for external, private or commercial vehicles did not exceed that threshold.

4.16 The lease arrangements for the garage facility at Waterbeach will be on a 10 year lease with a break clause at 5 to 7 years. The risk to the Council is that if the organisation fails the City Council may be left with the costs of rent and rates of £80k per annum. In this situation the Council would need to sub-let to cover these costs.

(g) Consultation and communication

4.17 Staff consultation will be required about a change of location and this will require a 30 day period. The Fleet Manager has kept staff informed about the proposals as they have been developed.

4.18 The Garage has a small number of private customers who will need to be consulted and advised of the change of location.

4.19 The implementation plan will include detailed communications plan focussing on information needs of staff, customers and residents.

(h) Community Safety

4.20 None

5. Background papers

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

6. Appendices

Appendix 1 a and 1b confidential

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

Report by: Andrew Limb

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 11/10/2015

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

FUTURE LOCATION OF ARCHIVE OF CITY COUNCIL DECISIONS AND RECORDS

Key Decision

1. Executive summary

1.1 The City Archives are the records of the city council and its predecessors, from the thirteenth to twenty first centuries. It includes lease books 1558-1842, treasurer's accounts 1835-1974, valuation records 1860-1972, rating records 1880-1977, records of the Clerk, records of the Council's committees, architectural plans and drawings, correspondence, leaflets, minutes, reports and agenda.

1.2 These City Archives are a subset of the wider Cambridgeshire Archives (the sum of such records from all the Cambridgeshire councils, excluding Huntingdonshire) and are distinct from the Cambridgeshire Collection. The latter is comprised primarily of published material (books, maps and similar), is held at the Central Library and is likely to be subject to a separate decision making process by the County Council at a later date.

1.3 The City Council's archives have been on deposit as part of the Cambridgeshire Archives at the Cambridgeshire Record Office, Shire Hall, since 1975. The City Council's original decision to deposit the archives at the County Record Office contained a proviso that they should not be removed outside the city.

1.4 Subject to the outcome of final decisions by the County Council, the City Council now needs to decide therefore whether to agree to the move of the City Archives to the County's proposed new record office at Ely, effectively over-writing the 1975 decision; or to withdraw the archives and make alternative provision, at its own cost, of an accessible, climate-controlled storage facility. These were the two options considered.

2. Recommendations

2.1 The Executive Councillor is recommended:

To agree to the City Council archives being moved to the County Council's proposed new record office at Ely, as part of the Cambridgeshire archives, subject to the County Council confirming its plans to relocate the Cambridgeshire archives there.

3. Background

3.1 Between 1973 and 1975, City Councillors discussed where the City Council's archives should be stored. This was in the context of the development of the new Central Library. A preferred option was to deposit the City Archives with the County Record Office, not least so that the archives would be available to "...genuinely interested members of the public through a professional archivist..."

3.2 It was eventually agreed, in May 1975, that *"the City records and archives be loaned to the Cambridgeshire Record Office at the Shire Hall, Cambridge, subject to the following conditions:*

- 1. That the records will remain in the ownership of the City Council and not be removed outside the City;*
- 2. That the City records be maintained separately from the Council records and can be withdrawn at any time."*

3.3 This is the arrangement that has held since 1975. Since then, over 300 metres worth of documents have been deposited by the City Council. These include the City Council's own records such as minutes, title deeds, rate books and valuations, engineers' reports, court books, treasurers' accounts and architects plans and drawings. These date from the 13th to 21st centuries.

3.4 Since then, the Cambridgeshire Archive collections as a whole have outgrown the space in the Shire Hall basement. Furthermore, the environmental conditions there are not suitable for the storage and preservation of archives. Water pipes in the basement have occasionally led to small floods, the temperature and humidity levels are generally too high and mould and deterioration of the archives have resulted.

3.5 Since the 1990s the County Council has sought to identify and acquire new accommodation for the Cambridgeshire Archives. Over that time 44 locations or buildings have been identified and explored. Some of these options (such as on the new Arbury development and Foster's silo near Cambridge train station) were substantially developed before being abandoned, mainly because they were unaffordable.

3.6 Following an inspection in 2011, The National Archives (TNA) imposed a three year deadline on the County Council to find new accommodation for the Cambridgeshire Archives. Failure to find suitable new accommodation by that date would have resulted in Cambridgeshire Archives losing its status as a place of deposit for public records. TNA would then have removed the Cambridgeshire public records from our care, and would have had the right to charge the County Council indefinitely for the storage, preservation and packaging of those records.

3.7 Initially the County Council worked to achieve a partnership with the University of Cambridge to build a joint building in Cambridge. However when this did not prove feasible for the University in the necessary timescale, a new search for suitable and affordable accommodation was urgently undertaken.

3.8 The Ely building (former Strikes Bowling Alley) was identified as a suitable option, providing an affordable building that could be readily adapted for the purpose, with on-site parking and good access to public transport and the facilities of the city on hand.

3.9 County Council Members unanimously approved the acquisition of the building in September, ahead of TNA's deadline of December 2014. They were also enthusiastic about its scope potentially to provide accommodation for the Cambridgeshire Collection alongside. County Council officers believe the Ely building will be a high quality local asset that will introduce many new users to the value of research and will attract families, school students and other visitors to the area. Following a projected rise in costs for the project overall, the County Council will be reviewing the project at its Health & Community Infrastructure Committee and General Purposes Committee meetings on 6 October and 20 October respectively. While many in the city would prefer the archives to remain in Cambridge, if the County Council confirms its plans to relocate the Cambridgeshire Archives to Ely, the City Council will need to make a decision on whether to allow the City Archives to move too, as part of that wider relocation.

3.10 In consultation with the Cambridgeshire Advisory Group on Archives and Local Studies, the proviso around the City archives came to light. Hence the need for a decision now to either follow that proviso and withdraw the city archive from the County archives and make alternative provision or to allow the city archives to move with the rest of the county archives to Ely.

3.11 There are two primary benefits of allowing the City Council archives to move to Ely with the rest of the County archives – cost and co-location.

Costs and benefits of allowing the City Council archives to move to Ely or seeking to retain them in the city

Cost

3.12 Since the City Archives have been deposited with the County Record Office, the County Council has been storing, maintaining and cataloguing them. The City Council has apparently made no financial contribution to these costs in the intervening forty years.

3.13 Cataloguing, and in more recent times digitising, the records is a time-consuming and expensive operation, requiring specialist equipment, software and expertise.

3.14 County Council staff have catalogued in excess of 83,000 items from the City Council archive to date, with more still to be done. Much of this, including digitisation, has been carried out with financial support totalling £67,500 from the Cambridgeshire Family History Society. If the City Council withdrew its archive, there *could* potentially be a request to refund the CFHS for the costs of cataloguing city records that they have funded.

3.15 If the City Council agrees to the City archive moving to Ely, the County Council will continue to store, preserve, catalogue and digitise the City archive at no cost. This would be in a newly converted facility with strict temperature and humidity controls which meet the national standard (PD5454:2012).

3.16 If the City Council were to withdraw its archive, it would need to find an alternative facility that would meet public accessibility, climate control and other standards. With over 300 metres of shelving, the cost of this would be significant, potentially running into hundreds of thousands of pounds of capital costs, as well as potentially more than £50,000 per year running costs (for staffing and other maintenance costs). These are rough estimates, but indicate the likely scale of potential cost.

Co-location

3.17 The other primary driver is to keep the city council's records together with other records from other agencies operating in the city, and with archives from other councils. By co-locating council records with those of businesses, charities, universities and parish churches, researchers can trace a person/family, building or issue through the many relevant threads, in one place (rather than having to move around to piece the jigsaw together). For researchers coming from further afield (e.g. other parts of the UK or overseas) this is particularly pertinent.

3.18 Family researchers in particular find this "knitting together" of a person or family's history to be an integral part of their activity. The Cambridgeshire

Family History Society is supportive of the relocation to Ely, and the better facilities it will bring.

Other considerations

3.19 The County Council is the recognised archive authority under the Local Government (Records) Act. It is effectively operating as a shared service for the Cambridgeshire councils, albeit one the City Council is not contributing to financially. By operating at the County level it can achieve economies of scale that allow it to provide a high quality facility and service with the professional expertise, equipment and software that would be hard to fund if each district or City council tried to provide this service on their own.

3.20 Retaining the City archives as part of the Cambridgeshire archives would allow the digitalisation of city records to continue. In due course, this will make physical location of archives less relevant, as more and more records become available and searchable online. This process is consistent with emerging best practice around “digital first” thinking in public services.

3.21 While moving the records to Ely would mean they were not so close-by for city residents, they would be more accessible to people from other parts of the County, and with the proposed site being next to Ely Station, would be relatively accessible still. City residents (and others) would be able to request material remotely, and have it digitised and sent to them (as a charged service) as an alternative to visiting physically.

3.22 It will still be possible to search or browse the catalogue of the City records remotely online allowing potential customers to ascertain what records are available, their possible relevance or interest and their scope and extent. Armed with that information, access arrangements will be along the same lines as currently; all members of the public will be able to visit the archives during publicised opening hours.

3.23 Physical visits to the City archive make up around 5% of the 2,000+ physical visits to the Cambridgeshire archive overall. Requests to the City archive (555 in 2014) make up around 10% of all 5,500 requests to the Cambridgeshire archive. But physical visits to the City archive make up only a fifth of all requests to the City archive, and only 2% of all requests to the Cambridgeshire archive.

3.24 Although numbers of physical city visitors to the archive have risen in the last 5 years, following the digitisation process and promotion, there were still only 104 visitors accessing the City archives in 2014. Of these, 42 were from the City. This equates to less than 0.05% of the city’s population.

3.25 While there potentially may be alternative archive facilities of the required standard in the city of Cambridge (e.g. at the University), any new arrangement with an alternative provider would almost certainly come at a significant additional cost to the City Council for a service that the County is currently providing (and offering to continue to provide) at no cost.

3.26 Moreover, in initial discussions the University have confirmed that material such as the City Council archive falls outside the University Library's collection policy and it would be highly unlikely that the University would be able to consider housing an extensive archive such as this. Officers understand that the University moved some of the records it had been holding to Shire Hall some years ago as its collections policy focuses on its core academic function and strengths rather than documents that might attract a wider public interest.

3.27 The Central Library is also understood not to be a valid alternative as the storage is inadequate in terms of environmental standards. There would also not be space to retain both the Cambridgeshire Collection and the City Archives (or the whole of the Cambridgeshire Archives collection) there.

3.28 The disbenefit of agreeing to allow the City Council archive to move to Ely would be the inconvenience to city-based researchers who would have to travel to Ely for physical access to the archive rather than have the facility in Cambridge. Set against this is the digitisation process mentioned above, and the option to have remote searches carried out by the archivists at the County Records office with results mailed to researchers.

3.29 In conclusion, while an ideal solution for Cambridge would have been the establishment of a new records office in the city, this has not proved possible over the two decades of trying. The benefits of agreeing to the move, particularly to a state-of-the art facility with the promise of further digitisation at no cost would appear to outweigh the benefits of withdrawing the city archive and finding an alternative provision within the city at considerable new and ongoing cost, during a time of financial pressure on the Council.

Cambridgeshire Collection

3.30 There would be space to house the Cambridgeshire Collection at the new Ely site too, with further co-location benefits. However, the proposal to move the Cambridgeshire Collection to Ely will be subject to public consultation later in 2015.

4. Implications

(a) Financial Implications

There would be no financial implications for the City Council of agreeing to allow the city archives to move to Ely.

There would be significant capital and ongoing revenue costs of withdrawing the city archive and making alternative provision. This could run into hundreds of thousands of pounds in one-off capital costs, and/or tens of thousands of pounds of ongoing revenue costs.

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

There would be no staffing implications of agreeing to allow the city archives to move to Ely.

If the City Council were to withdraw the city archives it would need to employ/contract expert staff to manage the archives in a new arrangement.

(c) Equality and Poverty Implications

Yes. Available as background paper.

(d) Environmental Implications

To comply with required national standards may require a small increase in the power consumed to maintain climate control. This would be the same under either option.

Low negative impact.

(e) Procurement

There would be no procurement required if the City Council agree to allow the archive to move to Ely. The County Council is procuring the new facility, at no cost to the City Council.

If the City Council decided to withdraw the city archive and make alternative provision it would need to procure a new site and/or new equipment to maintain, catalogue and digitise the records.

(f) Consultation and communication

The County Council has been engaging with key stakeholders through the Cambridgeshire Advisory Group on Archives and Local Studies. The City Council's Strategy & Partnerships Manager attended a meeting of this Group in May 2015 to gauge sentiment on the relocation to Ely. Council officers have liaised with staff at the University Library.

(g) Community Safety

No implications.

5. Background papers

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

Cambridgeshire County Council website content titled Cambridgeshire Archives moving to Ely:

http://www.cambridgeshire.gov.uk/info/20011/archives_archaeology_and_museums/177/archives_and_local_studies/11

Equality Impact Assessment

6. Appendices

None.

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: Executive Councillor for : Strategy & Transformation
Cllr Lewis Herbert

Report by: Head of Estates and Facilities

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

Wards affected: ALL

MILL ROAD STORES – FUTURE OPTIONS

Key Decision

1. Executive summary

This paper summarises proposals for the re-location of the materials stores service from Mill Road Depot in preparation for plans to vacate and dispose of the site by 2017. Re-location can be achieved by either outsourcing the service to established merchant suppliers or by transferring the in-house service to alternative premises.

The service also requires significant modernisation to improve stock management processes and to support a more mobile and flexible operational team which has to become increasingly less reliant on visits to a central depot site. Approval is therefore sought to carry out a full market testing exercise in order to properly assess the relative costs and service standards possible from either a retained “in-house” service or an external provider prior to reaching a final decision.

2. Recommendations

The Executive Councillor is recommended to:

- a. approve the proposal to invite competitive tenders (market testing) for the possible future provision of a stores service by external providers.
- b. authorise the Director of Customer and Community Services to agree, following consultation with Executive Councillor, the Director of Resources, Chair and Spokes of the Committee, to new arrangements for a re-located Stores Service based upon the outcome of a full cost/quality comparison between a retained in-house service and the results of formal market testing.

3. Background

3.1. Existing Stores Service

- 3.1.1. The existing stores service occupies a purpose built store shed with approximately 400sq.m floor area and a mezzanine floor.
- 3.1.2. The service has operated in its current form from Mill Road depot for many years. Overall stores activity has reduced significantly in the last 10 years as depot based services have been outsourced(Planned Maintenance Works, Cleaning Services) or relocated to other sites(Waste Services to Waterbeach).
- 3.1.3. The current stores service now operates almost entirely as a supplier of building materials to the Repairs & Maintenance(R&M) team within Estates & Facilities (E&F). In 2014/15 the R&M team accounted for over 85% of stores transactions and this reliance on the R&M work will inevitably increase further when one of its few other customers service areas, Vehicle Maintenance, relocates away from the Mill Road site.
- 3.1.4. Excluding the supply of building materials to the R&M function the stores team currently provides branded workwear and protective clothing, miscellaneous cleaning materials and some general supplies to the Vehicle Maintenance and Streets & Open Spaces teams.
- 3.1.5. Current staffing comprises two Storekeepers/Drivers, one Stores Team Leader and one Buyer(temporary post).

3.2 Issues

- 3.2.1. The Council has an overriding priority to vacate Mill Road and release the site for disposal and re-development by March 2017. The stores service will therefore have to be re-located elsewhere within the next 18 months.
- 3.2.2. Additionally, there is a need to modernise the entire process of supplying materials to the R&M workforce so that there is much less reliance on traditional practices of multiple, inefficient depot visits to collect materials and much greater use of comprehensive, managed van stocks, auto-replenishment and mobile site deliveries.
- 3.2.3. Successive audits (most recently 2011 and 2015) have identified that many of the Stores material stocklines have never been formally tendered or benchmarked and procurement is often “negotiated” locally or sourced via long established and un-tested suppliers.
- 3.2.4. The audit and replenishment of existing DLO fixed van stocks is largely unmanaged as part of the overall stores service and requires

much greater intervention and establishment of standardised stock controls(6 monthly audits) and work practices to reduce materials wastage.

- 3.2.5. Ordering of materials into stores from multiple suppliers on daily/weekly basis is very time consuming and in 2014/15 the purchase of £750,000 worth of building materials for R&M generated in excess of 6800 individual invoice transactions. Processing such a high volume of individual orders/invoices is very inefficient and wasteful use of staff administrative resource. Even using a very conservative estimate of £15/ invoice for the cost of processing then this cost equates to over £100,000 each year.
- 3.2.6. Comprehensive reporting of management information about materials issued/operative/job together with details of all consumables, power tools, workwear and other sundry items is not readily available.
- 3.2.7. Stocklines in stores require comprehensive review and rationalisation. There are currently in excess of 2200 different stocklines but many have not been accessed within the last year.
- 3.2.8. Ready access to the stores service in its existing location and format supports a long established, but inefficient, practice for R&M operatives to return frequently and unnecessarily to Mill Road depot to obtain materials on that would be better sourced from fully managed and enhanced van stocks or via mobile site deliveries. This practice is supported by the relative ease of parking which would be unlikely to be replicated on a more restricted alternative site. A move to alternative premises would be an opportunity to completely review the stores delivery model and to implement the changes needed to modernise. All external suppliers, who were consulted during the soft market testing exercise, confirmed that their stock management and delivery systems are already well developed and capable of delivering the up to date service required.
- 3.2.9. Current overhead re-charge for stores is approximately 19% for all materials. As transactions continue to reduce with services vacating Mill Road the percentage overhead will inevitably increase unless the total overhead can be reduced. Consultations with market competitors indicate an equivalent addition of 8-12% for a bespoke managed stores facility.

3.3 Options for Stores Service

- 3.3.1 Given the principal objective of re-locating the stores away from Mill Road there are only two possible alternatives to consider:

OPTION 1: Retention of the existing in-house service but re-located on a different site. The potential benefits of this option are

- Retention of in-house team and positive message of commitment to long serving staff
- Retention of established good service practices developed at workforce level between long serving employees

However work must also be done to fully review the service provision to address many of the current issues (outlined in 3.2 above) concerning non-compliant procurement practices, inefficient working and the provision of accurate management information

OPTION 2 : Fully Outsourced Service (contracted service)

The procurement and engagement of a major private sector materials supplier provides a clear opportunity to re-locate the stores service from Mill Road whilst also potentially addressing all of the current outdated service failings and embracing modern industry standard practices, efficient working, stock management (supported by a Regional and National Distribution Centres) and reporting procedures.

3.3.2 Early market investigations suggested that the option of outsourcing the stores service could have considerable attraction. There is an established market of, well-resourced Builders Merchants available who have already developed business models and modern processes which could readily meet the Council's demands Early indications were that cost savings could also be achieved.

3.4. Soft Market testing of External providers

3.4.1 External service provider claims can be overstated, so to further test the outsourcing option in more detail, a "Soft Market" Testing exercise was undertaken in July 2015. This entailed inviting interested organisations to review our bespoke service requirements and to complete a Request for Information (RFI) document to explain how, or whether, these could be met.

3.4.2. The RFI confirmed that any replacement stores service would be required, as minimum, to provide:

- a. Counter service
- b. Comprehensive standardised van stocks
- c. Managed and regular Van Stock audits
- d. Deliveries to site for large items and "project packs" (bathroom/kitchen packs)
- e. Product rationalisation - economy of scale and VFM on material purchasing

- f. Competitive pricing of all CCC major volume stock items and standardised equipment – kitchen, bathroom styles
- g. Transparent and competitive pricing of “non-standard” and non-stock items

Additionally, prospective tenderers would be required to demonstrate how they could fulfil additional service requirements

- a. Full management and comprehensive transaction reporting of CCC’s specific stock range (400 regular stocklines, over 2000 total)
- b. Waste removal and handling from site
- c. Emergency stock deliveries
- d. Out of hours access to materials and plant
- e. Emergency Response facility
- f. External storage area for reclaimed specialist materials and rare stock retained for longer term use
- g. Additional considerations of Uniform, tool hire, plant hire – covered by a comprehensive supply chain, and stocked to meet need.

3.4.3 No commitment to any formal tender opportunity was given with the RFI which was essentially an information gathering process. Potential suppliers were also invited to attend a site visit and to tour and discuss the current service with our stores team as part of the process.

3.4.4 The information obtained from the “Soft Market” Testing exercise confirmed, as expected, that there are existing local suppliers who could potentially deliver the required Stores service with possible savings and greater efficiency than the current in-house model.

3.5 Proposal

3.5.1 The option of Outsourcing (Option 2) satisfies the principal objective of re-locating the stores service and vacating the Mill Road site without having to source alternative premises. The option also appears to satisfy a number of secondary, albeit very important, objectives for modernising the service, regularising procurement, establishing more transparent and rigorous stock management and potentially saving cost.

3.5.2 In order to fully test the option it is therefore proposed to proceed with a Full Market test for the future stores service and to invite comprehensive and competitively priced tenders from external providers. A formal tender specification will allow tenderers flexibility to demonstrate innovation and explain how their own services would be tailored to meet and improve the overall stores provision to CCC.

3.5.3 It is further proposed that the tender process will not include an “in-house” bid from the existing stores team but that a full VFM exercise will be completed, post tender, in order to compare the submitted proposals with a retained in-house service(taking account of the cost of service modernisation and procurement of the new premises required) in terms of overall cost, and adherence to the service requirements as summarised in 3.4.2 above.

3.5.4 Subject to the outcome of the VFM analysis it is proposed that a final decision on whether to proceed with either an outsourced provider or relocated in-house service will be delegated to the Director of Customer and Community Services, following consultation with Executive Councillor, the Director of Transformation & Resources, Chair and Spokes of the S & R Committee.

3.6 Proposed Delivery Timescale

Deadline	Activity
Oct 2015	Member approval of proposed tender invitations(Housing & S&R)
Nov/Dec 2015	Completion of tender documentation/specifications
Dec 2015	Invitation to Tender
Jan 2016	Tender returns
Feb/Mar 2016	Evaluation of Tenders & in-house VFM exercise
April 2016	Final decision delegated to Director of C & CS
May – Oct 2016	Mobilisation, relocation etc
November 2016	New stores provision operational

4. Implications

4.1 Financial Implications

No additional cost implications. Potential savings as a result of the implementation of an outsourced or modernised in-house service

4.2 Staffing Implications

Potential staffing/TUPE implications for the existing in-house stores team of 3 FTE employees. The employees and their Trade Union representative have been kept fully informed of the work to date and the reasons for the proposed changes. Full consultations will be required, with HR support, once the tendering is resolved and the preferred service option is identified.

4.3 Equality and Poverty Implications

None

4.4 Environmental Implications

None

4.5 Procurement

Via EU compliant Open Tender process managed by Head of estates & Facilities with full support from the CCC in-house procurement team.

4.6 Consultation and communication

4.6.1 Existing stores team have been advised and have been involved in drawing up specifications of the services required.

4.6.2 Consultation with potential external market service providers has been completed using a Soft market testing exercise in July 2015.

4.7 Community Safety

There are no community safety implications

5. Background papers

None

6. Appendices

None

7. Inspection of papers

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: Head of Specialist Services
Relevant scrutiny committee: Strategy & Resources 12/10/2015
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 REPORT for 2014-15 - CCTV SHARED SERVICE

Not a Key Decision

1. Executive summary

- 1.1 On 1 July 2014 the council established a Shared Service with Huntingdonshire District Council to manage both Districts' CCTV and Out of Hours Call Handling services, in line with the council's programme of shared services developments
- 1.2 New governance arrangements, including a cost-sharing measures were established between the two councils under a Shared Services Agreement.
- 1.3 There is a requirement to report annually to members on the performance of the shared service.
- 1.4 The attached report summarises the progress of this shared service in its first eight months to the end of the last financial year, considering its operational and financial performance, and sets out key plans for the year ahead.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To note the attached report

3. Implications

(a) Financial Implications

The implementation of the shared service is delivering sustainable reductions in the cost of providing CCTV services in Cambridge

(b) Staffing Implications

None

(c) Equality and Poverty Implications

None

(d) Environmental Implications

- Nil:

(e) Procurement

None

(f) Consultation and communication

This report will be publicly available through the Council's website

(g) Community Safety

None

5. Background papers

None

6. Appendices

Appendix 1 - Annual Report for 2014-15

7. Inspection of papers

If you have a query on the report please contact:

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Huntingdonshire District Council and Cambridge City Council

CCTV Shared Service

Annual Report 2014/15 **(For the period 1st July 2014 to 31st March 2015)**

August 2015

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1. Introduction

The Crime and Disorder Act 1998 enables Local Authorities to establish Public Space CCTV systems with the specific aim of sharing information and working with other agencies such as the police to help reduce crime and anti-social behaviour within the local area and to reduce the local populations perceived fear of crime and anti-social behaviour and to deliver a safer environment for people who live, work and visit our cities and towns and encourage commercial growth.

The situation has changed significantly since 1998 and in particular the reduction in police resources has made CCTV even more important in helping in the fight against crime because used properly it can assist the police and other agencies to deploy their resources much more effectively.

The CCTV Shared Service has the following objectives which are published in the service Code of Practice:

- Deter and assist in the detection of crime and anti-social behaviour;
- Reduce the fear of crime and anti-social behaviour;
- Improve public protection;
- Improve the safety and security of residents, visitors and the business community who use the facilities covered by the CCTV scheme;
- Facilitate the apprehension and prosecution of offenders in both crime and public order offences;
- Deter vandalism;
- Discourage anti-social behaviour, including alcohol and drug related issues;
- Enhance generally the environment and thereby improve the enjoyment of Huntingdonshire District's and Cambridge City's facilities by all who use them and by creating a safe environment encourage economic growth.

2. Governance

The Governance arrangement set up in the Shared Service Agreement have been implemented and a Management and Members' Board have both become operational, with clear terms of reference and a business plan being established. The work of these boards has been concerned with:

- managing the set-up costs and initial management and budget arrangements,
- establishing performance indicators for the service,
- working on a Service Plan and
- discussing the options for delivering additional value from the services.

3. Key Highlights of the Reporting Year

It has been a busy year with the preparation for and establishment of the Huntingdonshire District Council and Cambridge City Council Shared CCTV Service. Following 18 months of preparations two key target dates were successfully met.

- 2nd June 2014 when all Cambridge's cameras and Out of Hours call services transferred to the Huntingdon CCTV control room and began being operated from both locations, and

- 1st July when the CCTV staff from Cambridge transferred to Huntingdon and the Cambridge control room closed down.

The majority of the year has been dedicated delivering well integrated service operations . By and large this has been delivered successfully with a few minor issues centred on training and administration. These will be resolved before December 2015.

The other key area of work has investigated developing the service on a more commercial basis, looking in particular at the potential for additional services we could offer and identifying a potential customer base. A great deal of this work has been delivered by the CCTV Business Development Officer and the first phase of the project, to develop a Business Case is close to completion.

4. Financial Performance

The CCTV shared service started operations in July 2014. The original Business Case expected additional start-up costs in the first year of the shared service £168,400 to cover the costs of establishing a single CCTV monitoring facility, transferring information and systems, and transition costs, with savings being made in the second and subsequent years.

In practice, additional start-up cost to each of the partners of £20,000 resulted from higher than expected transition costs and unexpected additional costs relating to the control room set up. However since the service has been established, the predicted savings for each authority from 2015/16 onwards has increased by £4,000 to £67,000 per annum.

The table below summarises the financial data for the shared service:

	2014/15 Business Case £,000	2014/15 Adjusted Business Case £,000	2014/15 Final Outturn £,000	2015/16 Budget £,000
Operational Employee Costs	402	335	300	336
Operational Running Costs	184	138	169	220
Start-Up Costs	148	168	211	1
Additional Cost/ Saving per Partner	41	43	63	(67)

** The adjusted business case being the operating year of the Shared Service from 1st July 2014

5. Operations

During this reporting period the CCTV Control Room has been involved in **2,501** incidents. **1,634** were crime related and a further **867** were non-crime welfare related. The crime related incidents resulted in **357** arrests at the time of the incident although there may have been further arrests or follow up investigations in subsequent Police operations.

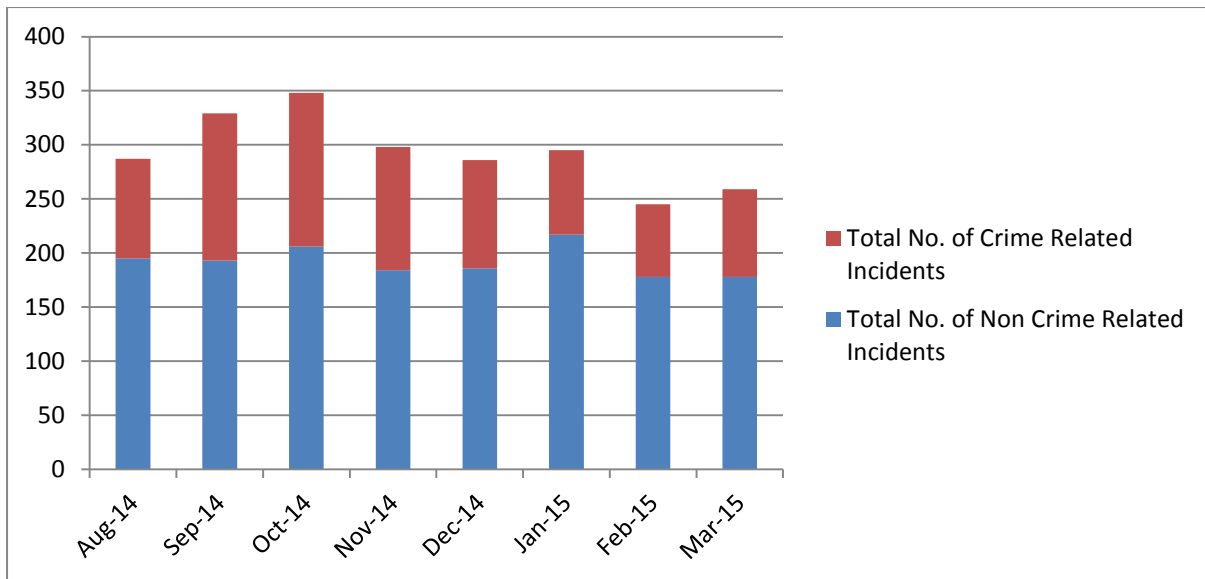


Figure 1: Incidents 1st August 2014 to 31st March 2015

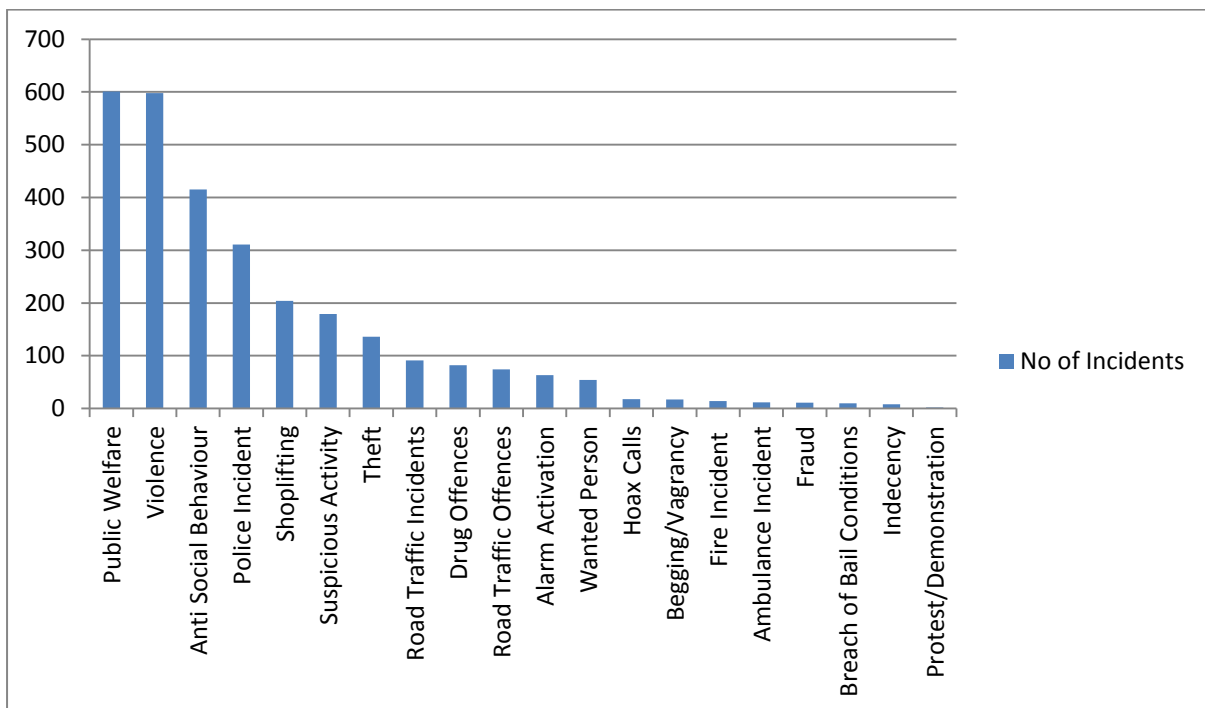


Figure 2: Incidents by Category 1st April 2014 to 31st March 2015

The types of incident involving CCTV have covered the full spectrum of crime from people at risk and shop lifting through to rape and murder. Many of the key events have been highlighted in the quarterly published 'Bird's Eye View' newsletter.

6. Regulation of Investigatory Powers Act (RIPA)

There have been three RIPA Operations this year all instigated by the Police and all within Huntingdonshire. Two were drugs related and the third was in connection with a 'cold case review' into a murder which happened over twenty years ago and has resulted in one arrest.

7. Out of Hours Service

There have been a total of **1,721** Out of Hours calls this year. The average call takes about **7** minutes to deal with (including follow up administration) and the service takes up about **18%** of the team's work load. Initial complaints from staff at Cambridge City Council resulted from staff in the Control Room that were inexperienced in using the Out of Hours systems. These issues were put right quickly and the service is now working effectively. At a meeting recently with all the Out of Hours Noise Officers, no current major areas of concern were reported. However, Cambridge's Noise Officers have indicated a process that will save a lot of administrative time in future, and access to this is now being investigated.

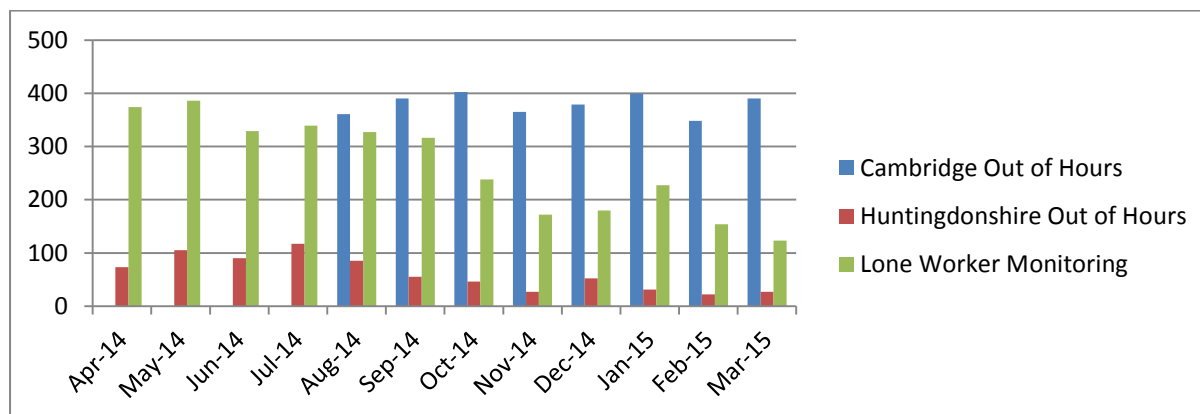


Figure 3: Out of Hours Calls 1st April 2014 to 31st March 2015

Note

- Data for Cambridge City Council is only available from the commencement of the Shared Service on 1st June 2014

8. Cambridgeshire Constabulary

The CCTV team's working relationship with the Officers and PCSOs of Cambridgeshire Constabulary is excellent. Closer liaison with Sector Inspectors could ensure that they make maximum use of the CCTV facilities to help them deploy their resources more effectively. Monthly one to one meetings are envisaged to discuss these issues. Relations with Force Headquarters continue with all Cambridgeshire's CCTV Managers and the police meeting on a quarterly basis.

Our plans to stream viewings and evidence to the police has now progressed and we expect the new system to be up and running by the end of October 2015. Initially it will be rolled out to Cambridge as a trial and if successful will subsequently be rolled out to Stevenage and then across Huntingdonshire. It will certainly make life easier for Investigating Police Officers, reducing travel time and improving access to data.

9. Publicity

CCTV has continued to be featured on Channel 5's 'Caught on Camera' programme and the two Operators involved have shown CCTV in a very good light. The 'Birds Eye View' newsletter is well received and we had some positive publicity both at the CCTV User Group's Annual Conference and in the Professional Security Magazine (an Industry wide publication) which focused on Cambridge's internal CCTV policy.

This policy is gathering quite some momentum, with around 800 organisations requesting or being sent a version of the policy as well as the Surveillance Camera Commissioner, whose Head of Policy has asked if he can visit. So the public profile of the service is increasing, but there is still more to do.

10. Staffing

There were a number of staff shortages over the last year due mainly to long term sickness and vacant posts. All of these issues have now been resolved and the team is at full strength and meeting its commitments.

11. Equipment

Whilst the main equipment is fully operational with normal maintenance resolving any problem the performance of Wi-Fi communication links for cameras in Cambridge needs to be improved. This system which operates across the three free (un-licensed) frequencies has been operating well until about three months ago when we noticed some loss of performance, with several cameras dropping out of the system intermittently. Detailed investigation has revealed the problem was being caused by a massive increase in users, using the same free frequencies as the CCTV system around the colleges which has affected our transmissions.

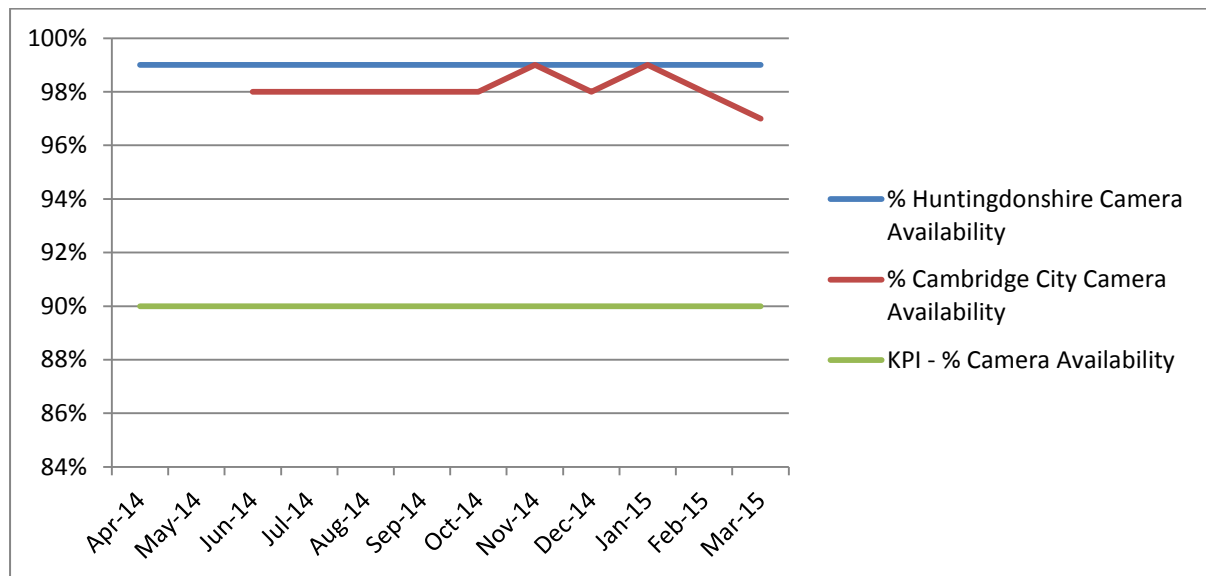


Figure 4 : Camera Availability 1st April 2015 - 31st March 2015

Note:

- Drop in camera availability coincides with introduction of free Wi-Fi in Cambridge and increase use during University term time.
- Data for Cambridge City Council is only available from the commencement of the Shared Service on 1st June 2014

12. Re-Deployable CCTV (RCCTV)

Cambridge City Council has six mobile CCTV cameras that can be deployed within the boundaries of the City of Cambridge.

Deployment decisions for these cameras are taken in consultation with the Leader of Cambridge City Council.

RCCTV has been deployed to 30 locations around Cambridge during this reporting period. There have been a few difficulties siting some of Cambridge City Council's RCCTV cameras to meet deployment requests on a number of occasions, following Cambridgeshire County Council's lamppost replacement programme.

High level discussions are resolving difficulties.

13. Action for the year 2015 – 2016

a. Finance and Commercialisation

The primary objectives are to deliver high quality, affordable services within budget and to achieve further savings through economies of scale and more efficient working.

In the medium term the service aims to utilise 'zero based budget' principles to realise any further savings from the Shared Service, and then to explore different ways to commercialise the service, with the initial aim of delivering a self-financing cctv monitoring solution to the two Council's.

b. Cambridge City Wi-Fi system

The Cambridge City CCTV system will be moved out of the free public access frequencies. The new operating frequencies will be free to but will have no public access. This will resolve the situation. Action is now being taken to arrange the upgrade of the wireless system in Cambridge

c. Redeployable CCTV Cameras

New lighter Redeployable CCTV cameras will be purchased. They will be less than half the weight of the current cameras and will operate on a 4G system making them more reliable and able to deploy anywhere in the city. This will add to their potential value as a resource which can be rented out to generate income.

d. Huntingdonshire Wi-Fi Systems

The move to a wireless system in Huntingdonshire should be completed within the financial year 2015-2016 which will contribute towards further saving in the future

e. Camera Upgrade

The CCTV cameras in Huntingdon, Godmanchester and St Ives are due for replacement in the financial year 2015-2016 and will be co-ordinated to coincide with the introduction of the Wi-Fi system to save additional expenditure on camera alterations later.

14. Summary

The first year of the Shared Service has been successful from both operational and financial perspectives Initial problems have largely been resolved with more work required relating to training, Operational Procedures and the standardisation of procedures. Partnership working is constructive, and there is the opportunity to enhance communications with local Sector Police Inspectors and to review our Key Performance Indicators and management information. A Commercial Plan is being prepared that can help to generate new business and enable CCTV to move towards a Zero Based Budget.

Martin Beaumont
CCTV Manager
August 2015

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Cambridge City Council

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

Report by: Brian O'Sullivan – Transformation Programme Manager

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

Wards affected: All

CULTURAL TRUST PROJECT

1. Executive summary

Summary of the report:

- The project was planned and delivered on time.
- The Councils Transformation Programme Office is carrying out a Post Implementation Review on this project.
- Findings of the Post Implementation Review to be shared with the Members Working Group.
- Lessons from the Post Implementation Review to be applied to current and future projects.
- Future reports on Cambridge Live to be reported at Communities Services Scrutiny Committee.

2. Recommendations

- a) The Leader is asked to approve that that the Transformation Programme Office reports to the Members Working Group with findings from its Post Implementation Review.
- b) The Transformation Programme Office implements lessons from the Post Implementation Review to current and future projects.
- c) The Leader is asked that future reports on Cambridge Live be made to the Executive Councillor for Communities and Community Services Scrutiny Committee.

3. Background

3.1 Overview

On 1 April 2015, Council staff working at the Cambridge Corn Exchange, Cambridge Folk Festival and other city events transferred to a new charity set up by the Council called Cambridge Live..

The project was successfully delivered on time and budget. Some monies (125k) were given to Cambridge Live in advance of go live as it had no budget or income but this is being schooled in on payback basis

3.2 Post Implementation Review

The Council's Transformation Programme Office is carrying out a Post Implementation Review on this project to review the project in terms of benefit realisation, lessons learnt/applied and were the objects set out for this project met.

Extensive work is being carried out to engage with key stakeholders involved in the Cambridge Live project to capture the information set out above. The lessons learnt/applied in terms of delivering a project of this kind are deemed to be a valuable output of this report. Areas that are being discussed include capacity and capability requirements/assessments, governance/decision making, and project management compliance.

It is recommended the Post Implementation Review be shared with the Members Working Group set up to advise this project and the lessons learnt/applied used by Transformation Programme Office to influence current and future projects

3.3 Working Members Group

A Working Members Group was in place during the design and delivery of the Cambridge Live project. It is recommended to reconvene this group to discuss the Post Implementation Review and to seek approval to closing this project.

It is proposed to have the Project Sponsor (Liz Bisset – Director Customer & Community Services), Project Manager (Debbie Kaye – Head of Communities, Arts & Recreation), Transformation Programme Manager (Brian O'Sullivan) and Working Members Group in attendance at this meeting, with attendance by other officers as appropriate.

A nomination will be sought from the Leader of the Opposition to replace former Councillor Andy Blackhurst.

3.4 Future Reporting

As Cambridge Live is now operational it is deemed that all future reports should go to Community Services Scrutiny for decision by the Executive

Councillor for Communities as this role has responsibility for the delivery of Community, Arts & Recreation.

A report on the Cambridge Live project in year 1 will go to the Executive Councillor for Communities and will go to Community Scrutiny committee on 14th Jan if approval is given. This will include an overview of all topics including a review of the city event programme.

Cambridge Live will be holding its AGM on 30th September and it is open to the public

4. Implications

None

(a) **Financial Implications**

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

(c) **Equality and Poverty Implications**

Non applicable

(d) **Environmental Implications**

(e) **Procurement**

(f) **Consultation and communication**

(g) **Community Safety**

5. Background papers

Report to Strategy & Resources Scrutiny Committee 20/10/2015
Arrangements to Establish the Cultural Trust

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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Manager

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

Report by: Trevor Burdon : Head of Estates & Facilities

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

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

**RE-PROCUREMENT OF THE COUNCIL'S ELECTRICITY AND GAS
SUPPLIES EFFECTIVE FROM 2016**
Key Decision

1. Executive summary

- 1.1 There is a requirement to re-procure the Council's energy supply contracts in 2016 (gas from 1st April and electricity from 1st October). This report outlines the different options available to the Council.
- 1.2 Energy markets are increasingly complex and Central Government guidance recommends that, wherever possible, all public sector organisations take advantage of energy supply framework contracts. These are designed to procure large volume single supply contracts at more favourable rates than would be possible if partner organisations such as the City Council procured independently.
- 1.3 The appropriate consortium framework for Local Authority use in this instance is Eastern Shires Purchasing Organisation (ESPO) and it is this organisation that is recommended for use by the City Council in this report.

2. Recommendations

The Executive Councillor is recommended to approve:

- i) Option 5 for the City Council to enter into a "call-off" contract for the purchase of energy supplies under the terms of the Eastern Procurement Purchasing Organisation (ESPO) energy framework. The final choice of tariffs to be delegated to the Director of Customer & Community Services, in consultation with the Executive Councillor and Head of Finance, with priority given to use of Green Energy

Tariffs subject to costs being broadly comparable with alternative sources.

- ii) an initial contract period for the provision of ELECTRICITY of two years with options to extend for two further periods of one year each subject to prevailing market conditions and advice from ESPO at the time;
- iii) an initial contract period for the provision of GAS of two years with an option to extend for one further period of one year subject to prevailing market conditions and advice from ESPO at the time.

3. Background

3.1 Cambridge City Council spending on gas and electricity in 2014/15 was approximately £1,260,000. The current gas contract expires on 31st March 2016 and is worth approximately £260,000 per annum. The current electricity contracts expire on 30th September 2016 and are worth approximately £1,000,000 per annum in total.

3.2 The energy supply market is both volatile and complex and requires specialist expertise to obtain best value. The Council, therefore, currently employs an independent energy consultancy, Utilitywise PLC, to procure its energy supply contracts and to provide some support with account management.

3.3 There are various options open to the Council in order to procure replacements for these contracts when they expire. These are summarised below:

- i. **Option 1 – Do nothing.** When the current contracts expire all sites would automatically transfer onto emergency rate tariffs but these are not competitive and would therefore be very expensive. This option would therefore not offer value for money.
- ii. **Option 2 – Direct procurement.** The Council could procure its energy supplies directly without the involvement of any third party specialist consultant advice. The markets and tariff options are complex, however, and this would involve a lot of internal officer time to draft tender documentation and manage an OJEU compliant procurement process which would be necessary due to the value of contract involved. There is no guarantee that this option would deliver any significant benefits and, due to a lack of specialist expertise in the market, it is unlikely that the outcome may would be the best available. Accordingly this is not the preferred option.

- iii. **Option 3 – Continued procurement via “Utilitywise” consultancy/brokerage.** The Council could continue using an

independent energy consultancy to broker the energy contracts. The cost of doing so is currently in the region of £30,000/year. This has worked well in the past with the Utilitywise plc consultancy but any plans to continue with a consultant broker arrangement would first require market testing to re-procure a consultant. This would be administratively time consuming and conflicts with Government advice and the practice of a majority of Public Sector organisations, who are making use of established pre-procured energy frameworks. This, again, is not, therefore, considered to be the preferred option.

- iv. **Option 4 – Use Crown Commercial Service.** An alternative to employing the specialist skills of an independent consultant broker could be to use the Government's Crown Commercial Services Unit but the energy market requires expert knowledge and this is not a procurement sector in which the organisation specialises. This is therefore not considered to be the preferred option.
- v. **Option 5 – Use a Public Sector Procurement Organisation.** Procurement Organisations are common in the Public Sector and deliver significant economies across a range of services and contracts. This is done by aggregating service requirements of member organisations in order to secure more favourable pricing than would generally be possible for each organisation acting independently. Such organisations guarantee fully EU compliant tendering and, due to the scale of procurement, they provide specialist procurement and market expertise which is especially important when dealing with the complex energy markets. Other Local Authorities local to Cambridge City already make use of this solution and procure energy at competitive tariffs by via the Eastern Shires Purchasing Organisation (ESPO). Whilst past performance is no guarantee of future delivery, data obtained from ESPO confirms a consistently competitive performance with gas and electricity supplied at 17% and 14% below average market rates respectively. It is therefore concluded that Option 5 represents the best option for energy procurement for the Council and is therefore recommended.

3.4 It is worth reiterating that energy prices have proved to be quite unpredictable in recent years. Use of the ESPO framework will ensure that the Council has access to appropriate specialist market advice and will provide a good degree of certainty about energy pricing during the contract periods proposed.

3.5 The City Council's existing energy supplies are substantially sourced from Green Energy suppliers in support of the Council's Climate Change Strategy objectives and principles. This has resulted in some small annual cost savings due to the financial effect of the Government's Climate Change Levy which historically has only been

applied to traditionally sourced supplies. This approach was revised in August 2015, and the Climate Change Levy now applies equally to both Green and Traditionally sourced supplies. The markets are still adjusting to the change and, currently, it would appear that Green Tariffs can still be secured at competitive rates. Nevertheless, the position changes as tariffs continue to fluctuate and at the date of contract commencement a final decision will be required on the most advantageous tariffs available via the ESPO framework at that time. It is proposed that this final decision, which is likely to require a short timescale response, is delegated to the Director of Customer & Community Services in consultation with the Executive Councillor for Strategy & Resources and the Head of Financial Services.

4. Implications

(a) **Financial Implications**

There is currently a brokerage fee to the Council of approximately £27,000 per annum to procure the gas and electricity contracts and monitor the consumption. If a similar level of service is provided with the proposed new arrangement procured by ESPO(option 5) then this will reduce to around £20,000.

Overall energy costs fluctuate continuously and the final costs of new arrangements, in comparison to existing expenditure, will not be fully clear until the date of a new contract commencement.

(b) **Staffing Implications**

None.

(c) **Equality and Poverty Implications**

Not applicable.

(d) **Environmental Implications**

This decision has a climate change rating of 'nil'. This is because there are no changes to actual energy consumption levels associated with this proposal – this report is purely to decide on the method of purchasing that energy.

Reference is also made to the choice of tariff and the priority for Green Energy supplies in 3.5 above.

(e) **Procurement**

Approval of Option 5 for procurement via ESPO ensures fully compliant procurement and contractual arrangements. Approval of alternative options as described in options 2 - 4 would result in additional procurement costs associated with specialist consultancy support required to support in-house resources.

(f) **Consultation and communication**

Property Services, Procurement Team and the Climate Change Officer have all been consulted and comments have been incorporated into the recommended proposal.

(g) **Community Safety**

Not applicable.

5. Background papers

Not applicable.

6. Appendices

Not applicable.

7. Inspection of papers

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

Report by: David Kidston. Strategy and Partnerships Manager

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

CLIMATE CHANGE STRATEGY 2016-2021

Key Decision

1. Executive summary

- 1.1 Cambridge City Council remains committed to supporting international efforts to mitigate climate change and to taking steps to support residents to respond to the effects of climate change. Much has been achieved through the Council's current Climate Change Strategy, which covers the period from April 2012 to March 2016. This report presents a revised Climate Change Strategy for the five year period from April 2016 to March 2021. It proposes five new, thematic objectives for the revised strategy, and a range of activity that will contribute to the delivery of these objectives.
- 1.2 It is proposed that public consultation will be carried out on the revised Climate Change Strategy from 13 October 2015 to 12 January 2016. This report sets out the proposed consultation methods.

2. Recommendations

The Executive Councillor is recommended to:

- a) Approve the draft Climate Change Strategy presented at Appendix A for public consultation.
- b) Approve the proposed approach to public consultation outlined at 3.12.

3. Background

- 3.1 Tackling climate change remains a key policy priority for the Council. The Council's vision includes the following statement: "A city that takes robust action to tackle the local and global threat of Climate Change, both internally and in partnership with local organisations and residents, and to minimise its environmental impact by cutting carbon, waste and pollution".
- 3.2 The Council's Annual Statement for 2015/16 includes a commitment to "conduct a comprehensive review of our Climate Change Strategy", which covers the period from April 2012-March 2016, with the aim of becoming "a leader in tackling climate change".
- 3.3 A draft of a revised Climate Change Strategy for the Council covering a five year period from April 2016 to March 2021 is provided at Appendix A. As with the current Climate Change Strategy, the revised Strategy aims to:
- provide a summary of the wider context for the strategy, including the scientific evidence of climate change and the steps being taken by international bodies and national government to address it.
 - identify key achievements over the period of the current strategy and identify any lessons learnt.
 - set out the action that the Council will take over the next five years to support global efforts to mitigate climate change and to support local residents and businesses to adapt to the anticipated effects of climate change.
- 3.4 The current Climate Change Strategy focuses on three key objectives:
1. To reduce carbon emission from the Council's estate and operations and manage the risks to its staff an 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 partnerships with other organisations to address the causes and effects of climate change
- 3.5 In practice, the distinction between 'internal', 'external' and 'partnership' activity is not always clear. For example, the Council's work to promote the Green Deal is an 'external' facing project which is helping residents to reduce carbon emissions through improving the energy efficiency of homes, but it is being delivered through the Action on Energy partnership with other local authorities in the County and a commercial provider.

- 3.6 It is proposed that the revised Climate Change Strategy should focus instead on five thematic objectives. These objectives have been identified through: analysing available evidence of the sectors which contribute most to carbon emissions in Cambridge; considering the responsibilities for local authorities identified by the Committee on Climate Change, the Government's independent advisory body on climate change issues; and identifying the areas of Council activity which will have most impact on climate change.
- 3.7 The five objectives proposed for the revised strategy are:
1. Reducing emissions from the City Council estate and operations
 2. Reducing energy consumption and emissions from homes and businesses in Cambridge by promoting energy efficiency measures, sustainable construction and renewable energy sources
 3. Reducing emissions from transport by promoting sustainable transport and reducing car travel and traffic congestion
 4. Reducing consumption of resources, increasing recycling and reducing waste
 5. Supporting Council services, residents and businesses to adapt to the impacts of climate change
- 3.8 The draft strategy identifies a total of 46 actions to deliver the above objectives. Some of these actions represent a continuation or evolution of existing areas of activity, such as:
- Supporting residents to access financial support for domestic energy efficiency improvements through the Action on Energy partnership
 - Working with partners in Cambridge Retrofit to mobilise private finance for investment in large-scale retrofit of buildings and estates in Cambridge and promote exemplar projects and good practice
 - Constructing new council homes to high sustainability standards and, where possible within the national planning policy framework, using local planning policy to secure high sustainability standards in new residential and commercial developments in Cambridge.
 - Continuing to engage in partnership working where appropriate, including County-wide and EU funded projects, to promote energy efficiency and low carbon energy.
 - Continuing to promote recycling and increase opportunities for residents and businesses to recycle.
 - Using local planning policy to promote sustainable transport options and investing in improvements to walking and cycling infrastructure

including cycle lanes, junction improvements and new cycle parking.

- 3.9 There are also a number of new areas of activity and focus in the revised strategy, which have been identified in response to: analysis of the sectors which currently contribute most to the city's carbon footprint; learning from current city council activity and good practice from other local authorities and organisations; and partnership or funding opportunities. These include:
- Implementing the City Council's Fuel and Water Poverty Action Plan (linked to the Anti-Poverty Strategy)
 - Working with partners in the Cambridge Sustainable Food network to promote sustainable food sources and reduce food consumption and waste
 - Investing in improvements to public transport and cycling infrastructure through the City Deal to tackle congestion, reduce journey times, reduce greenhouse gas emissions and improve air quality
 - Promoting low-emissions buses and taxis in partnership with the County Council, bus companies and taxi companies
 - A greater focus on supporting residents and businesses to respond to the anticipated effects of climate change, including flooding, water shortages and heat waves.
- 3.10 While the Council is committed to providing local leadership on climate change and taking decisive, effective action, the scale and scope of activity identified in the strategy is necessarily shaped by the financial constraints placed upon the City Council by reductions in local government funding and the associated savings targets that the authority needs to meet in coming years.
- 3.11 The Council will seek additional funding from external sources where it is available to support climate change-related activity. For example, we have recently submitted bids with local partners to the Office for Low Emissions Vehicles (OLEV) to support the roll out of low emissions buses and taxis in the city. In September 2015 the Council and the University of Cambridge submitted a joint bid for European Structural and Investment Funds (ESIF) to support large-scale 'retrofits' (installation of energy efficiency measures and low carbon technologies) to the property estates of businesses in Cambridge.

3.12 However, the draft Climate Change Strategy has also been informed by recent changes in Government policy and reductions in national funding streams for climate change-related activity. In particular:

- As a result of the Government's national Housing Standards Review, the Code for Sustainable Homes has been discontinued from March 2015. The Government have also recently announced the postponement of the introduction of national zero carbon homes policy, which was due to come into force in 2016. 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. Appropriate modifications to sustainability policies in the new Local will now be proposed. We will also continue to work with developers to deliver sustainable housing developments and to promote other construction methodologies, including the new Home Quality Mark standard currently being developed by the Building Research Establishment (BRE) and the approach adopted by partners in the Good Homes Alliance.
- On 23rd July 2015, the Government announced that Green Deal Finance, which funded loans to homeowners for energy-efficiency measures, was no longer available with immediate effect and that a wider review of national policies will be undertaken. In response the Council is working with partners in the Action on Energy initiative to identify and develop new opportunities in response to the changing policy environment to ensure that the Council's priorities on domestic energy efficiency are met.
- On 27 August 2015, Government published proposals to reduce Feed in Tariffs, which have been paid by Government to individuals, businesses and organisations for energy supplied to the National Grid from solar PV panels, wind turbines and hydro-electric power installations. From 1 January 2016, FIT rates for solar PV installations will be reduced by between 68% and 87%, depending on the size of the array of panels. This has made many new solar energy schemes unviable, including schemes that the Council was developing for installation on Council homes, commercial properties and administrative buildings. We will keep these schemes under review, in case the FIT rates change in future or the cost of solar panels continues to reduce.

3.12 It is proposed that public consultation will be carried out on the revised Climate Change Strategy from 13 October 2015 to 12 January 2016. The proposed consultation methods are:

- Publication of the draft strategy and a questionnaire survey on the City Council website. The survey will be publicised via: the City Council's Twitter account, a media release and other corporate communications channels; direct messages to residents associations, members of Cambridge Community and Voluntary Services (CCVS), relevant partner organisations, and business networks.
- Meetings with stakeholders (e.g. ARU Global Sustainability Unit, the University of Cambridge's Centre for Climate Change Mitigation Research) and environmental groups (e.g. Transitions Cambridge, Cambridge Carbon Footprint, Cambridge Sustainable Food Network).

3.13 Following the conclusion of public consultation on the strategy, the key findings from the consultation and a finalised version of the strategy will be presented to Strategy and Resources Committee in March 2016 for approval by the Executive Councillor for Finance and Resources.

4. Implications

(a) Financial Implications

Officers are currently developing a new Carbon Management Plan for 2016-2021, which will set out projects to reduce carbon emissions from the Council's estate and operations. The Carbon Management Plan (which is the primary vehicle for delivering Objective 1 of the Strategy) will deliver significant financial savings, albeit potentially in the form of future cost-avoidance. As part of the development of the plan, officers are quantifying the total investment required over the next 5 years, and the associated cost avoidance and pay-back periods for the projects. Funding for some of these projects will come from the Council's dedicated Climate Change Fund.

The majority of actions contained in the Climate Change Strategy under Objectives 2 to 5 are already budgeted for. They 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 Housing Revenue Account (HRA) depending on the services involved.

A limited number of actions, such as action 2.1 on the Green Deal and action 3.3 on low emissions buses and taxis, are dependent to an extent on securing government and other external funding sources for climate change.

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

Lead officers have been identified for projects in the Climate Change Strategy who have the capacity to deliver the projects within the stated timescales. The Climate Change Officer will be responsible for strategic co-ordination of the overall delivery of the Climate Change Strategy, including the Carbon Management Plan. The Environmental Policy Group (EPG), which is chaired by the Director of Environment and attended by the relevant Heads of Service, will provide strategic direction for the delivery of the Climate Change Strategy and the Carbon Management Plan.

(c) Equality and Poverty Implications

An Equalities Impact Assessment (EqIA) of the aims and objectives of the Climate Change Strategy has not identified any specific negative impacts. However, the needs of different protected characteristics will need to be considered when implementing the range of actions contained in the two documents. This is to ensure that the strategy is implemented effectively and that all people are able to benefit from the work being undertaken. Consequently further Equality Impact Assessments may be undertaken for individual projects.

(d) Environmental Implications

The Climate Change Strategy and Action Plan and the Carbon Management Plan will have a high impact on the environment by setting out a planned approach to: reducing emissions from the City Council estate and operations; reducing energy consumption and emissions from homes and businesses in Cambridge; reducing emissions from transport ; reducing consumption of resources, increasing recycling and reducing waste; and supporting Council services, residents and businesses to adapt to the impacts of climate change

(e) Procurement

The Climate Change Strategy includes two actions relating to procurement: reviewing the quick procurement guide for staff on sustainable procurement, and auditing a sample of contracts to check that they comply with the Council's Environmental Procurement Policies

(f) Consultation and communication

Details of the public consultation on the Climate Change Strategy are provided at paragraph 3.12 in this report.

(g) Community Safety

The Strategy and Action Plan have minimal impact on Community Safety.

5. Background papers

No background papers were used in the preparation of this report.

6. Appendices

Appendix A - Cambridge City Council Climate Change Strategy 2016-2021
Appendix B – Equality 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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Climate Change Strategy

2016-2021

1.0 Introduction

- 1.1 Our climate is changing. It has always changed in response to natural environmental processes, but it is now widely accepted that human activities are leading to climate change of a scale and pace that threatens our very way of life. Such a global challenge requires a global response, and the international framework for action is becoming stronger.
- 1.2 Individuals, communities and organisations in localities across the world need to take action if national and global efforts to address climate change are to be successful. Cambridge City Council has played a leading role in work to tackle climate change at the local level. The Council was amongst the first local authorities in England and Wales to sign the LGA's Climate Local commitment, and one of the ten corporate vision statements that guide the work of the Council is:
- 'A city that takes robust action to tackle the local and global threat of Climate Change, both internally and in partnership with local organisations and residents, and to minimise its environmental impact by cutting carbon, waste and pollution'.
- 1.3 Through implementing its first and second Climate Change Strategies in 2008-2012 and 2012-2016, the City Council has already achieved a considerable amount. However, there remains much to be done if challenging international targets on reducing greenhouse gases are to be achieved. The City Council remains committed to playing a leading role in efforts at the local level. This revised Strategy establishes the framework for action by the City Council to address the causes and consequences of climate change over the next five years. It describes the current context and the work we have undertaken to date, and sets out our future objectives and the actions we plan to take in order to achieve them.

2.0 Context

How has our climate changed?

- 2.1 Scientific evidence demonstrates that the earth's climate is changing, with average temperatures rising. The Intergovernmental Panel on Climate Change (IPCC) concludes in its Fifth Assessment Report that average surface temperatures have increased by 0.85 °C, over the period 1880 to 2012¹. Much of this warming has occurred since the 1970s, with each of the last three decades being successively warmer at the Earth's surface than any preceding decade since 1850². The IPCC concludes that "it is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century."³
- 2.2 A combination of economic and population growth have driven global greenhouse gas emissions from human activity since the pre-industrial era, and they are now higher than ever. This has led to atmospheric concentrations of greenhouse gases such as carbon dioxide, methane and nitrous oxide which are unprecedented in at least the last 800,000 years.⁴ These gases create the 'greenhouse effect', trapping

¹ IPCC, 2013, Climate Change 2013: The Physical Science Basis, p3

² IPCC, 2013, Climate Change 2013: The Physical Science Basis, p3

³ IPCC, Climate Change 2014: Synthesis Report: Summary for Policy Makers p4

the heat from the sun's light in our atmosphere and preventing it from escaping into space.

2.3 Climate change is having widespread impacts on human and natural systems⁵:

- Arctic sea-ice has decreased by between 3.5% to 4.1% or 0.6 million square kilometres (an area about the size of Madagascar) per decade between 1979 and 2012.
- Glaciers all over the world are melting, and the Greenland and Antarctic ice sheets have been losing mass between 1992 and 2011, with the rate of shrinkage increasing in the last decade.
- Global sea-levels have risen by 0.19 m between 1901 and 2010.
- Changes in extreme weather events have been observed since 1950, including an increase in warm temperature extremes, an increase in extreme high sea levels, and an increase in the number of heavy rainfall and other precipitation events in a number of regions.
- Changes in the seasons (such as the UK spring starting earlier, autumn starting later) are bringing changes in the behaviour of species, for example, butterflies appearing earlier in the year and birds shifting their migration patterns.

How will our climate change in future?

2.4 Surface temperatures are projected to rise over the 21st Century regardless of what action we take, but it is vital that we take action now to limit the extent of global warming and reduce the harmful impacts it could have. The most recent report by the IPCC concluded that if we take no action to reduce greenhouse gas emissions, average global temperatures are likely to increase by between 2.6°C and 4.8°C by the end of the 21st Century (2081-2100) compared to 1986-2005. It could still be possible to limit temperature increases to less than 2°C by the 21st Century, but this would require radical action to cut greenhouse gas emissions⁶.

2.5 It is harder to accurately project how the climate in local areas such as Cambridge will change, but in 2009 the UK Climate Projections (UKCP09) programme provided projections of how the climate will change in the East of England and other regions, based on low, medium and high emissions scenarios. The data from this programme suggests that by 2080 the East of England will experience:

- Average summer temperature increases of 1.3 to 4.7 °C under a low emissions scenario, and 2.4 to 7.5°C under a high emissions scenario.
- Average winter temperature increases of 1.4 to 4.0°C under a low emissions scenario, and 2.0 to 5.7 °C under a high emissions scenario.

What action is being taken at an international and national level to address on climate change?

⁴ IPCC, Climate Change 2014: Synthesis Report: Summary for Policy Makers p4

⁵ IPCC, Climate Change 2014: Synthesis Report: Summary for Policy Makers pp4-7

⁶ IPCC, Climate Change 2014: Synthesis Report: Summary for Policy Makers p10

- 2.6 Man-made climate change is a global challenge that requires a global response. This Strategy aims to help stimulate action by individuals, communities and organisations in Cambridge that will contribute to these international efforts.
- 2.7 The United Nations has played a central role in coordinating international efforts to slow the pace of climate change and manage the risks associated with it. The international framework for action is built upon the **UN Framework Convention on Climate Change**, which was adopted at the Rio Summit in 1992. The Convention placed the onus on industrialised nations, as the major source of emissions to date, and directed funding to developing countries to address climate change.
- 2.8 By 1995, national governments realised that emission reductions provisions in the Convention were inadequate. In 1997 the **Kyoto Protocol** was adopted, which legally binds developed countries to emission reduction targets. The Protocol's first commitment period started in 2008 and ended in 2012. The second commitment period began on 1 January 2013 and will end in 2020.
- 2.9 As the scientific consensus around the causes of climate change has grown, the international framework for action on climate change has become stronger. Following the **Copenhagen Accord** in 2009, countries submitted further pledges to reduce emissions and manage climate change risks. These pledges were made binding in the **Cancun Agreements** in 2010, which aimed to limit global temperature increases to less than 2 degrees. At the **UN Climate Change Conference in Durban** in 2011, national governments agreed to adopt a new universal legal agreement to deal with climate change beyond 2020 as soon as possible.
- 2.10 In response to agreements at the international level, increased scientific consensus and greater public recognition of the need for action, the UK Government has introduced a significant amount of new national legislation, policies and initiatives. This refreshed Cambridge City Council strategy reflects and responds to the key legislation and policies that relate to local government.
- 2.11 The **Climate Change Act 2008** established a long-term framework for tackling climate change. It introduces a national target to reduce carbon emissions by at least 80% below 1990 levels by 2050, which represents an appropriate UK contribution to global emission reductions consistent with limiting global temperature rise to as little as possible above 2°C. The Act introduces four carbon budgets, each covering a five year period, which set the level of emissions reductions needed between 2008 and 2027 in order to achieve these overall targets. The first three carbon budgets require an annual reduction of 2% on 2010 emissions levels up to 2020, and the fourth budget requires reductions of 5% per annum.
- 2.12 The **Carbon Plan**, published in 2011, sets out the Government's Plan for achieving the emissions targets set in the first four carbon budgets. It identifies the emissions reductions needed in five key areas of the economy (homes and buildings; transport; industry; electricity; and agriculture, land use, forestry and waste).
- 2.13 In recent years, a number of national initiatives have been introduced to help deliver the national emissions targets. For example, the Energy Act 2008 introduced measures to support renewable energy generation by households and the public and

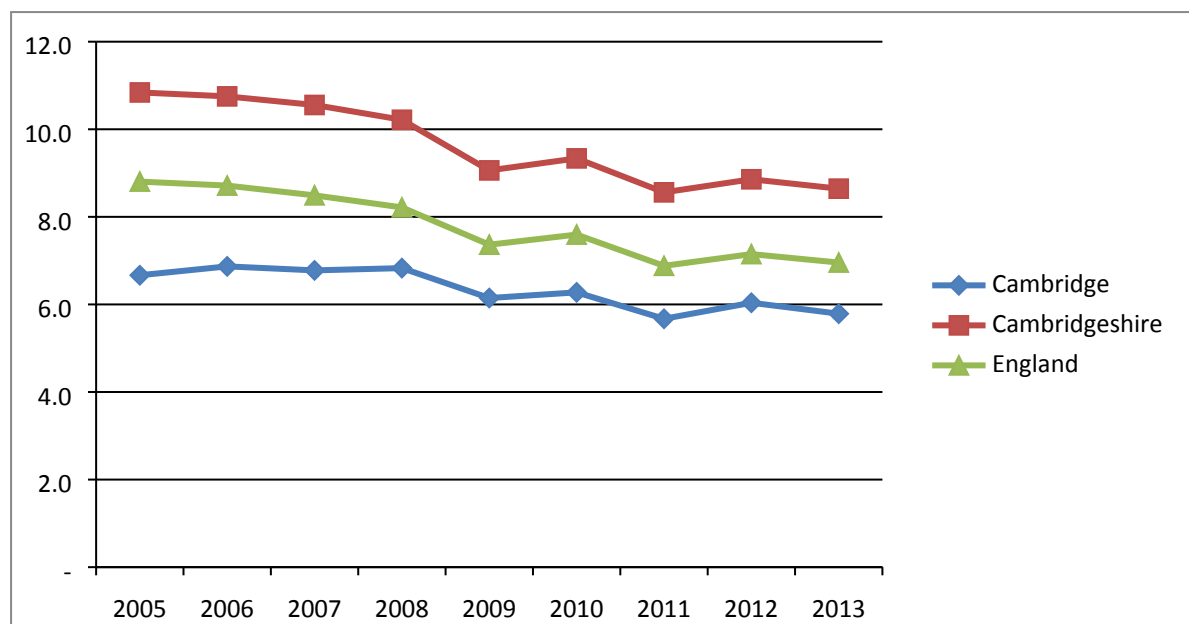
private sectors, such as **Feed In Tariffs** and the **Renewable Heat Incentive**. The Energy Act 2011 introduced measures to stimulate energy efficiency measures for homes and businesses, such as the **Green Deal** and **Energy Company Obligation**.

- 2.15 The Climate Change Act also introduced a number of measures to promote the management of climate change risks. The Act required the Government to produce a **UK Climate Change Risk Assessment (CCRA)**, which was published in 2012 and sets out the potential impacts of climate change at a national level. It also required the Government to produce the **National Adaptation Programme (NAP)**, which was published in 2013 and sets out proposals for how the Government, private sector and others should respond to the risks identified in the CCRA.

What can Cambridge City Council do locally to address climate change?

- 2.16 Cambridge has made significant progress in reducing emissions from the city in recent years. As shown in the chart below, emissions per capita in Cambridge have declined steadily from 6.7 tCO₂ per person in 2005 to 5.8 tCO₂ in 2013. Emissions per capita were significantly lower in Cambridge in 2013 than in Cambridgeshire as a whole (8.6 tCO₂ per capita) and the national average (7.0 tCO₂ per capita). However, there is more to be done to reduce emissions in the city further.

Figure 1 - Estimated per capita emissions (tCO₂) 2005-2013



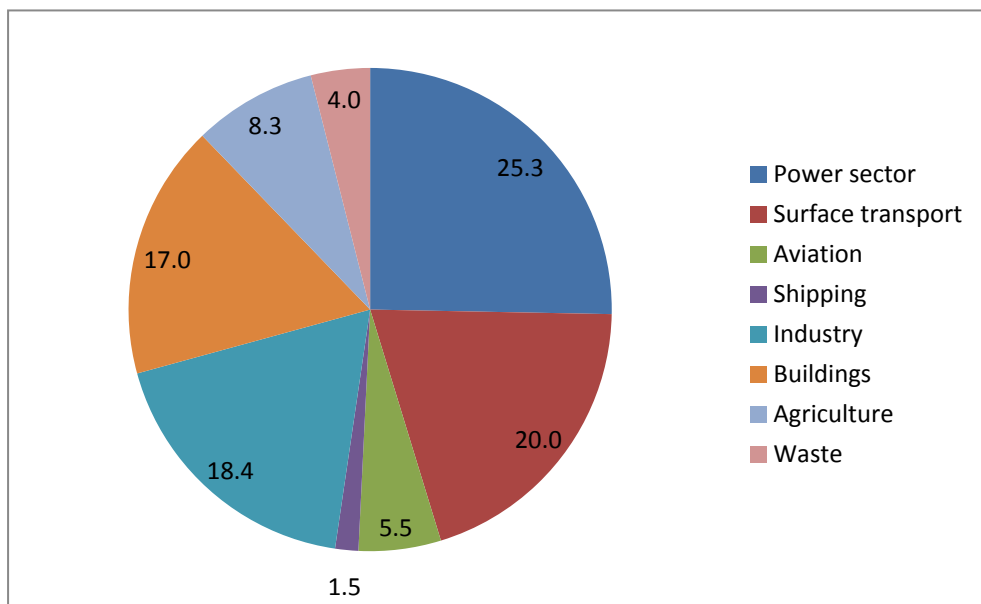
Source: DECC, 2015, Per capita local CO₂ emission estimates

- 2.17 The Council can help address climate change by providing local leadership on the issue. In August 2012, Cambridge City Council was among the first local authorities to sign the 'Climate Local' declaration and publish an associated action plan, demonstrating the Council's commitment to tackling climate change. Climate Local

was developed by the Local Government Association as the successor to the Nottingham Declaration on Climate Change, which the Council also signed in 2006.

- 2.18 The Council can also help reduce emissions in Cambridge by working with the largest producers of emissions. The Committee on Climate Change, an independent advisory body to Government on climate change matters, has calculated that the largest national producers of greenhouse gases are the power sector (25.3%), surface transport, including road and rail transport (20.0%), industry (18.4%) and buildings (17.0%).

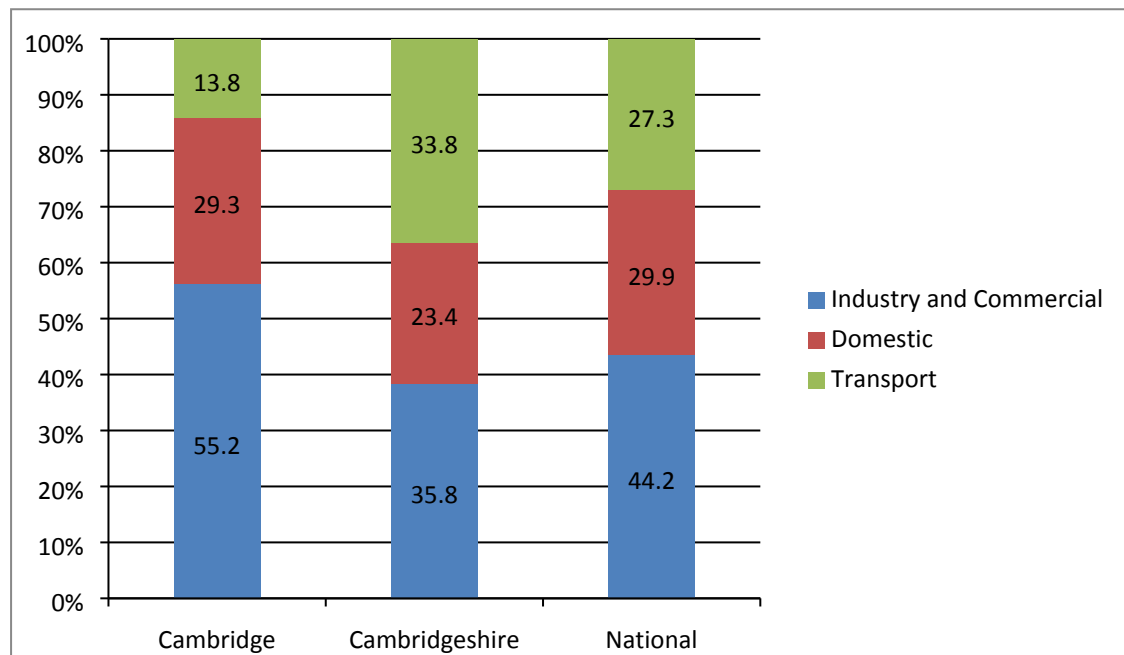
Figure 2 – Total UK greenhouse gas emissions produced by sector in 2013 (%)



Source: Committee on Climate Change, 2015, UK emissions by sector in 2013
<https://www.theccc.org.uk/charts-data/ukemissions-by-sector/>

- 2.19 As shown in the chart below, industrial and commercial consumption of energy and fuel is responsible for over half (55.2%) of the estimated per capita carbon emissions in Cambridge, which is significantly higher than in Cambridgeshire (35.8%) and England as a whole. Domestic consumption of electricity gas, electricity and other fuels is responsible for 29.3% of per capita carbon emissions in Cambridge, which is similar to England as a whole. Transport accounts for a smaller proportion of per capita carbon emissions in Cambridge (13.8%) than in Cambridgeshire (33.8%) and England (27.3%) as a whole.

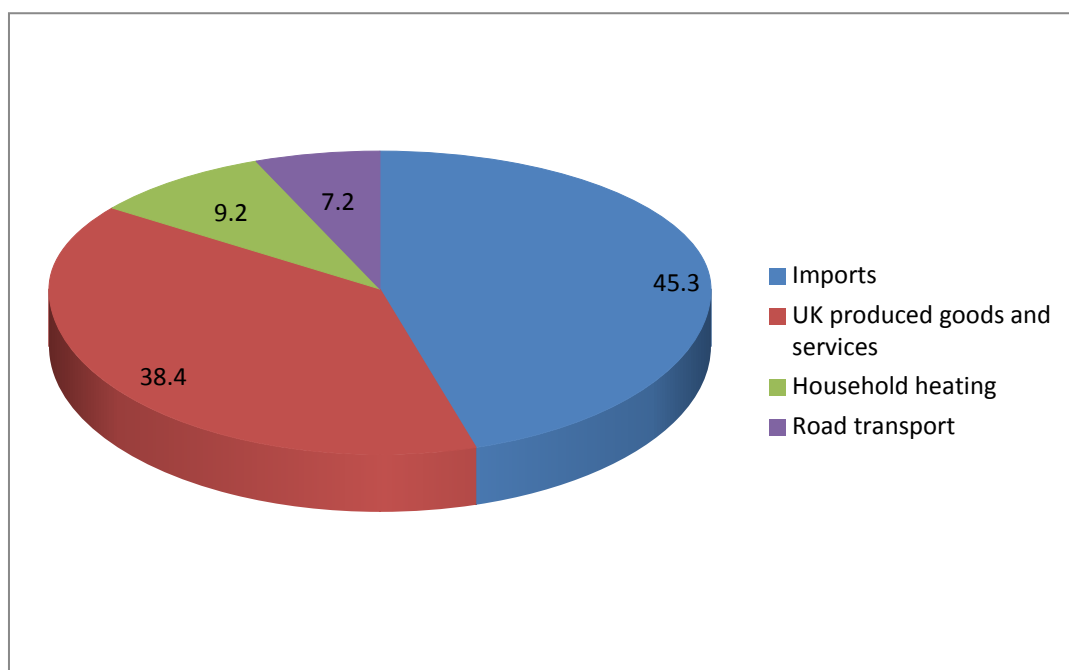
Figure 3 – Per capita emissions produced by sector in 2013 (%)



Source: DECC, 2015, Per capita local CO₂ emission estimates

- 2.20 The data presented in Figures 1, 2 and 3 above relates to carbon or greenhouse gas emissions produced in the United Kingdom, including emissions generated in producing goods for export to other countries. However, as the UK economy continues to move from a manufacturing base towards the service sector, an increasing proportion of the goods that we buy are produced overseas and imported to the UK. General conventions exist for estimating the carbon emissions embedded in imported goods, but the results cannot be viewed as being as robust as the estimates of carbon emissions generated domestically.
- 2.21 As the Figure 3 below shows, in 2012, DEFRA estimates that 45.3% of household greenhouse gas emissions in the UK were embedded in imports consumed directly by residents or used by UK businesses. Goods and services produced in the UK account for 38.4% of household greenhouse gas emissions, while heating homes (9.2%) and road transport directly associated with households were responsible for a much smaller proportion of household emissions. It is important, therefore, that local authorities focus on encouraging households to reduce consumption of goods, including both goods imported from overseas and those produced in the UK.

Figure 3 – Household greenhouse gas emissions in the UK in 2012 (%)



Source: DEFRA, March 2015, UK's carbon footprint 1997-2012 (next updated Dec 2015)

2.23 Based on the evidence outlined above, the Committee on Climate Change, an independent advisory body to the Government on climate change, identifies the following areas where local authorities have most scope to influence emissions⁷:

- **Local authority estate** – reducing emissions from local authority buildings, estates and operations, as this makes a contribution to overall emissions reductions and demonstrates local leadership on climate change issues.
- **Buildings** – through: programmes to improve the energy efficiency of residential and non-residential buildings; encouraging behaviour change amongst residents and businesses; and using planning and building control functions to secure high energy efficiency standards in new buildings.
- **Transport** - through: developing local sustainable transport plans; providing cycling infrastructure; providing better public transport and low-emissions vehicles; using parking charges to influence behaviour; supporting investment in electric vehicle charging infrastructure; and ensuring new residential and office developments are well served by sustainable transport.
- **Waste** – through: policies and campaigns to encourage waste prevention and recycling; implementing separate food waste and recycling collection systems; and facilitating recycling centres.
- **Adaptation** – by using planning policies to ensure that new development is located in low flood risk areas and that new buildings and infrastructure are

⁷ Committee on Climate Change, 2012, How local authorities can reduce emissions and manage climate risk, <https://www.theccc.org.uk/publication/how-local-authorities-can-reduce-emissions-and-manage-climate-risks/>

resilient to heat stress; and managing natural resources to promote biodiversity and reduce the risk of flooding.

- 2.24 The Committee on Climate Change identifies a number of sectors where there is less scope for local authorities to influence emissions, including the power sector, aviation and shipping, as policies for the decarbonisation of these sectors are set at a national and European level. However, there is scope for local authorities to contribute to power sector decarbonisation and reduce energy consumption through planning approvals for renewable energy projects, involvement in low-carbon decentralised energy schemes (such as city centre district heating schemes) and information campaigns to encourage reductions in energy use.

Cambridge City Council climate change objectives

- 2.25 With this evidence in mind, the Council has identified the following objectives for this Climate Change Strategy, focussing on the areas where local authorities have most scope to influence carbon emissions:
1. Reducing emissions from the City Council estate and operations
 2. Reducing energy consumption and emissions from homes and businesses in Cambridge by promoting energy efficiency measures, sustainable construction and renewable energy sources
 3. Reducing emissions from transport by promoting sustainable transport and reducing car travel and traffic congestion
 4. Reducing consumption of resources, increasing recycling and reducing waste
 5. Supporting Council services, residents and businesses to adapt to the impacts of climate change

Objective 1. Reducing emissions from the City Council estate and operations

3.1 The Committee on Climate Change identifies reducing emissions from local authority buildings, estates and operations as a key responsibility for local authorities, as this makes a contribution to overall emissions reductions and demonstrates local leadership on climate changes issues. Cambridge City Council has made significant efforts to reduce emissions from its estate and operations over the past five years and we will continue these efforts over the next five years.

Progress to date

3.2 In June 2012, the Council published a Carbon Management Plan for 2011-2016, which set out how it planned to reduce carbon emissions from its estate and operations. The Plan targeted the areas of the Council's activity which contribute most to our carbon emissions (e.g. swimming pools and leisure centres, car parks, vehicle fleet, offices and sheltered and temporary housing).

3.3 We have delivered a total of 35 carbon reduction projects across our estate and operations to between 2011/12 and in 2014/15. The projects delivered to date are:

- Energy efficiency improvements at Council-owned swimming pools and leisure centres, including Abbey Pool, Cherry Hinton Village Centre, Jesus Green Lido and Kings Hedges Learner Pool and Parkside Pools. The measures installed have included: pool covers; Building Energy Management Systems⁸; Variable Speed Drives⁹; heat pumps; and refurbishment of an existing Combined Heat and Power (CHP) unit¹⁰.
- Renewable energy systems, including solar photovoltaic (PV) panels¹¹ to provide electricity at Cherry Hinton Village Centre, Brandon Court sheltered housing scheme, and New Street Hostel, and a solar thermal system¹² to provide hot water at Abbey Pool.
- Replacing existing lighting at Abbey Pools, the Grand Arcade Annex car park and the Corn Exchange with more energy efficient LED lighting.
- More efficient boilers and improvements to start controls and pipework at Llandaff Chambers and Mill Road Depot, and heating controls in the foyer at the Corn Exchange to ensure the heating is only on when and where it needs to be.
- A heat recovery system at the Crematorium.

⁸ Building Energy Management Systems (BEMS) control and monitor a building's mechanical and electrical equipment, such as ventilation, lighting, power systems, fire systems, and security systems.

⁹ Variable Speed Drives (VSD) regulate the speed and rotational force of electric motors at the pools in response to changing levels of demand for energy from water and air pumps at the pools.

¹⁰ 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.

¹¹ Solar photovoltaic (PV) panels capture the sun's energy and convert it into electricity, which is used to run electrical appliances and lighting.

¹² Solar thermal systems use photovoltaic (PV) panels to capture solar energy and provide a renewable source of hot water for the pool.

- Voltage optimisation¹³ technology at Abbey Pools, Grafton East Car Park and Mandela House.
 - Awareness raising campaigns at all swimming pools to promote a cultural of environmental responsibility amongst staff and customers, with the aim of reducing energy and water use.
- 3.4 It is estimated that the 35 carbon reduction projects delivered to date have achieved on-going carbon savings of around 1,150 tCO₂e per year. This figure is only an estimate, because prior to 2012, the Council does not have accurate data on our energy usage, so we are not able to reliably calculate our total carbon emissions for this period. 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.
- 3.5 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. We also now take visual meter readings at all sites twice a year. 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.
- 3.6 Our data shows that our total energy usage increased by 0.8% in this period, from 7,974 tonnes of carbon dioxide equivalent (tCO₂e) in 2013/14 to 8,041 tCO₂e in 2014/15. While energy use reduced at the majority of our sites between 2013/14 and 2014/15, our emissions increased slightly over this period due to a number of factors outside our control, including:
- Increased electricity use at the Grand Arcade annex car park, because there was an increase in the number of users in this period.
 - Increased electricity usage at some of the Council's sheltered housing accommodation. The Council does not have control over the energy used by occupants.
 - Increased energy usage at the crematorium, due to an increase in the number of cremations
 - Increased energy usage of Brown's Field community centre, resulting from increased usage of the centre and longer opening hours.
- 3.7 Furthermore, although the Council implemented 7 projects carbon reduction projects during 2014/15, the majority of these projects were implemented towards the end of the 2014/15 financial year, so any reduction in emissions resulting from these projects will not be seen until 2015/16.
- 3.8 By investing in energy and fuel saving projects, the Council has been able to achieve significant financial savings. The total cost of all 35 carbon reduction projects delivered in the first four years of the plan (between 2011/12 and 2014/15) is £1,448,397. Collectively these projects have achieved ongoing annual savings of

¹³ Voltage optimisation technology reduces the voltages received by appliances and lights running on electricity, in order to reduce energy use

£203,000 in the Council's energy and fuel costs, meaning that on average they will 'pay back' the original investment in just over 7 years. Many projects will continue to deliver savings beyond this point.

3.9 A further 10 projects are being delivered during the final year of the current Carbon Management Plan in 2015/16. It is estimated that they will reduce our carbon emissions by a further 310 tCO₂e per year. These projects will cost a total of £383,000 and deliver ongoing annual savings of £67,000 per year. The projects 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.

Future action

3.10 We are currently developing a new Carbon Management Plan to provide the blueprint for reducing our emissions across our estate and activities, between 2016/17 and 2020/21. The Plan will particularly focus on reducing emissions from the areas of our estate and activities which contribute most to our carbon emissions (e.g. swimming pools and leisure centres, car parks, vehicle fleet, offices, and sheltered and temporary housing, and community centres).

3.11 The Carbon Management Plan will set out a range of projects that will be implemented over the five year period, and will set a target for reducing carbon emissions from our estate and operations. We have identified a number of potential projects, ranging from upgrading boilers to more efficient systems, to replacing existing lighting systems in some buildings with more efficient LED lighting systems. Further work is required to quantify the costs and the energy and carbon savings that these projects would achieve. It is anticipated that the draft Carbon Management Plan will be presented to the Council's Strategy and Resources Scrutiny Committee in January 2016.

3.12 As part of the development of the Carbon Management Plan, we will also be exploring the viability of installing solar PV systems at additional sites, including our office accommodation, community centres, and sheltered housing schemes. As part of this work, we will consider whether any such schemes are viable following the Government's proposals, published on 27 August 2015, to significantly reduce the rate of Feed in Tariffs (FITs). The Government has paid Feed in Tariffs to individuals, businesses and organisations for any electricity supplied to the National Grid from solar PV panels, wind turbines and hydro-electric power installations. From 1

January 2016, it has proposed that FIT rates for solar PV installations should be reduced by between 68% and 87%, depending on the size of the array of panels.

- 3.13 We will also work with partners to develop joint partnership projects to reduce greenhouse gas emissions from our estate. For example, the Council is currently working with the University of Cambridge and Cambridge Live to explore the financial viability and potential for a new district heating scheme connecting the New Museums site and the Guildhall and Corn Exchange. Under this scheme, excess heat produced by the onsite electricity generators at the New Museums site could potentially be used to partially heat the Guildhall.
- 3.14 We will also take climate change considerations into account when making decisions about commercial properties in Cambridge that are owned by the Council and let to commercial tenants. The Council's Property Investment Report in January 2015 specified a minimum standard of Environmental Performance rating of C or better for all future commercial property acquisitions. The Council subsequently acquired the Orchard Park Local Centre, where the retail units achieved good environmental performance as evidenced by the Environmental Performance Certificates for each unit. The commercial units being constructed as part of the wider development of Council land at Clay Farm will be retained by the Council and will achieve very good environmental performance.
- 3.15 We will also take opportunities to improve the environmental performance of our commercial properties as the opportunity arises. For example, we have significantly improved the environmental performance of Barnwell House in recent years by replacing windows and boilers.
- 3.16 As part of the Council's developing Office Accommodation Strategy, we will reduce energy usage and carbon emissions through rationalising our office accommodation and consolidating staff in existing premises or relocating them to new accommodation or partners' premises. The Council has already vacated offices at Lion House, and intends to vacate offices at Hobson House and Mill Road depot during time period of the Climate Change Strategy.

Actions to deliver Objective 1 - Reducing emissions from the City Council estate and operations

Activity	Service	Performance measures/outcomes	Completion date
1.1 Producing and delivering a new Carbon Management Plan for 2016-2021, setting out a series of projects to reduce energy and fuel consumption and carbon emissions from the City Council's estate and operations. Depending on viability and financial payback, potential schemes could include improving building management and investing in insulation improvements, LED lighting systems, solar thermal and solar PV technology, and fuel efficient fleet vehicles	Corporate Strategy Estates and Facilities	Number of carbon reduction projects delivered across the City Council estate and operations % reduction in Greenhouse Gas emissions from the Council's estate and operations, measured against the 2014/15 emissions baseline	March 2021
1.2 Ensuring that the City Council's Office Accommodation Strategy takes into consideration opportunities to reduce emissions from City Council office buildings. The Strategy will set out plans for consolidating and improving the Council's office accommodation in response to changing service needs and arrangements.	Property Services Corporate Strategy	Hobson House and Mill Road Depot vacated, and staff relocated to retained premises, new operational premises, or the premises of our partner organisations	Buildings vacated in 2016 (Hobson House) and 2017 (Mill Road depot)
1.3 Taking opportunities to improve the energy efficiency of commercial properties owned by the Council as they arise, and ensuring that where the Council invests in new properties, these have high energy efficiency ratings	Property Services	All commercial properties acquired by the Council to have an EPC rating of C or higher	Ongoing from March 2016
1.4 Exploring the potential for introducing Environmental Management Systems in key services and sites (e.g. Streets and Open Spaces)	Streets and Open Spaces	Business benefit of Environmental Management Systems assessed as part of wider work on business transformation EMS introduced in Streets and Open Spaces service, subject to availability of external advice	March 2017 March 2018
1.5 Implementing the Council's Employee Travel Plan, including promoting and incentivising alternative methods of transport for	Human Resources	18 pool bikes provided 4,619 business miles travelled by bicycle	Ongoing to 2021

Activity	Service	Performance measures/outcomes	Completion date
Council business, e.g. through provision of pool bikes, cycle mileage allowance, travel warrants for train travel, and access to car club vehicles		per annum 626 travel warrants issued for train travel per annum 45 members of staff are signed up for lift share scheme	
1.6 Reviewing the quick procurement guide for staff on sustainable procurement, and auditing a sample of contracts to check that they comply with the Council's Environmental Procurement Policies	Procurement Internal Audit	New quick procurement guide on sustainable procurement produced Audit of sample of contracts completed and actions identified and implemented by services	October 2015 March 2017
1.7 Working with partners such as the University of Cambridge to develop partnership projects to reduce greenhouse gas emissions from our estates, such as exploring the potential for District Heating Schemes	Director of Environment Planning	Business case explored for developing a district heating scheme linking the University of Cambridge's New Museums site, the Corn Exchange and the Guildhall as part of Phase 3 of the University of Cambridge's New Museums Site redevelopment Reduction in energy consumption and carbon emissions in the Guildhall due to heat provided by district heating scheme, subject to viable business case and implementation of the scheme	December 2017 Ongoing to March 2021 and beyond
1.8 Working with partner Councils in shared service arrangements and new delivery bodies (e.g. Cambridge Live, the Tourism Destination Management Organisation) to ensure climate change and environmental sustainability considerations are addressed	Director of Business Transformation	Climate change and environmental sustainability considerations are addressed in shared service arrangements and new delivery bodies	Ongoing to March 2021

Objective 2. Reducing energy consumption and emissions from homes and businesses in Cambridge and tackling fuel poverty, by promoting energy efficiency measures, sustainable construction and renewable energy sources

- 4.1 As shown in Figure 3 above, emissions produced by homes (55.2%) and businesses (29.3%) account for the majority of carbon emissions produced in Cambridge. As figure 2 above shows, 17% of greenhouse gas emissions in the UK are produced by buildings.
- 4.2 As identified by the Committee on Climate Change, local authorities have a key role to play in supporting residents and businesses to reduce their energy consumption by providing support for energy efficiency measures in existing homes, and using planning policy to ensure that new properties are as energy efficient as possible.

Progress to date

- 4.3 The City Council has assisted residents to reduce their carbon emissions through a range of measures to improve the energy efficiency of existing homes in the city.

Energy efficiency in existing council homes

- 4.4 The City Council owns and manages nearly 7200 homes in the city, and has invested significantly in improving the energy efficiency of these properties. Between 2012/13 the Council spent over £4.3 million on improving the energy efficiency of Council homes. Over this period we have:
- replaced 1543 older boilers with more energy efficient condensing boilers;
 - insulated the loft and cavity walls of more than 600 properties;
 - installed external wall insulation to 62 properties; and
 - installed energy efficiency measures as part of wider housing maintenance work.
- 4.5 These energy efficiency measures helped the Council to meet its target of improving the overall Standard Assessment Procedure (SAP) energy rating for Council homes by at least one point per year. We are currently achieving an average score of 71, which is a 'C' rating (using SAP 2009 methodology).

Energy efficiency in existing private housing

- 4.6 We have also taken steps to improve the energy efficiency of privately-owned housing in the city. In 2012/13 the Council implemented the Heatseekers thermal-imaging project, which identified properties in the City which would benefit from improved insulation. The Council assisted the installation of 673 insulation measures in private properties using funding from the national CERT scheme. These measures have an estimated reduction in carbon emissions of 445 tonnes per year. The Council provided additional support to residents beyond the CERT scheme through the Cambridge Home Insulation

Scheme. This provided grant funding towards the cost of 729 loft and cavity wall insulation measures in 567 properties by October 2013. It is estimated that these measures will generate an estimated annual saving of 446 tonnes of CO2.

- 4.7 In 2013 the Government introduced the Green Deal, which replaced all other national funding streams for energy efficiency improvements, including CERT. The Green Deal Finance scheme provides loans to property owners to cover the costs of installing green technology, which are paid back through energy bills over a period of time. The Government also introduced the Energy Company Obligation, which required energy companies to provide support to vulnerable people, those on low incomes and residents in hard-to-treat housing.
- 4.8 The Council has worked with the five other Cambridgeshire local authorities and a commercial provider in the 'Action on Energy' partnership to promote the Green Deal to residents in Cambridge. Since November 2013, the partnership has provided Green Deal, Energy Company Obligation (ECO) and self-financed energy efficiency measures for privately-owned homes across Cambridgeshire.
- 4.9 In April 2014, Action on Energy was awarded £7.8m from the Government's Green Deal Communities Fund to promote uptake of the Green Deal. The targets for the project by March 2015 included support for homeowners to insulate 1000 hard-to-treat solid wall properties, and support for private landlords to make improvements to 800 properties. A limited amount of funding was also been provided for show homes in target streets, subsidised Green Deal assessments, and training for local SMEs.
- 4.10 Initially take-up of the scheme was slow, with securing interest from the private rented sector a particular challenge. In March 2015, the Department for Energy and Climate Change agreed that the time period for committing the funding should be extended until 30 September 2015, with installations to be complete by March 2016. Despite the initial delays, Action on Energy has been one of the most successful partnerships nationally, delivering over 2000 assessments, 800 sales and over 200 installations to date.

Awareness raising activities

- 4.11 The Council has carried out a range of activities to raise the awareness of residents of energy-related issues. The Council initially delivered a range of neighbourhood energy efficiency events, but in recent years we have supported community and voluntary groups such as Cambridge Carbon Footprint and Transitions to engage with residents through projects and events such as Open Eco Homes, Trumpington Warm Homes and Home Energy Fairs. Since Action on Energy was launched at the end of 2013, we have focussed our own activities on promoting the funding available through the Green Deal, using a successful street to street marketing approach.

- 4.12 We have used regular articles in Cambridge Matters, local magazines and other publications to raise awareness, and in 2014 the Council published a comprehensive guide for residents on sustainable homes and living. The 'Greening Your Home' guide provides detailed 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 is available on the Council's website and has been distributed to community centres, libraries, residents associations and community and voluntary organisations.

Energy efficiency in commercial and public sector buildings

- 4.13 In 2007 the Council launched the Cambridge Climate Change Charter, is a voluntary pledge to address climate change. 34 businesses and public sector organisations signed the pledge, and a further 130 people, including many small and medium enterprises, took part in a series of workshops between 2009 and 2011, which provided advice on how to improve their environmental performance.
- 4.14 In 2013/2014 we worked with Resource Efficiency East to deliver a series of workshops on energy efficiency issues to tourism businesses from the Visit Cambridge partnerships. In 2015/16 we commissioned Resource Efficiency East to work with up to 15 SMEs in Cambridge to reduce their carbon footprint, through carrying out energy audits, developing action plans and providing access to training. If this project is successful we will look to commission further activity of this nature.
- 4.15 The Council has played an active role in the Cambridge Retrofit partnership, which aims to demonstrate the business case for large scale 'retrofits' (energy efficiency improvements and low carbon technology installations) to private and public sector estates. A number of exemplar projects are currently being delivered, with Royal Bank of Scotland (RBS) and the University of Cambridge taking forward retrofits at a number Cambridge buildings. A network of stakeholders (including many suppliers and installers) has been formed over the past 2 years, and it is anticipated that as projects are developed, the local supply chain of companies specialising in energy efficiency and low carbon technologies will grow.
- 4.16 In order to increase the number of exemplar retrofit projects in the city, in September 2015 the Council and the University of Cambridge submitted a joint bid to the Greater Cambridge Greater Peterborough (GCGP) Local Enterprise Partnership (LEP) for European Structural and Investment Funds (ESIF). If the bid is successful, the funding will support up to 15 businesses in Cambridge to deliver 'deep retrofits' to their property estates. The aim would be to achieve higher levels of carbon reduction (50% or more) than these businesses would be able to achieve without additional support.

Energy efficiency and sustainable construction in new developments

- 4.17 The City Council has assisted residents and businesses to reduce their carbon emissions by seeking high sustainability standards in new developments in the city. 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. It is anticipated that the Local Plan will be approved later in 2016. The draft Local Plan includes a range of policies to minimise the impact of future development in the city on climate change.
- 4.18 The draft Local Plan includes a policy requiring high standards of sustainable building design, construction and operation for all non-residential development, including business and commercial premises. A minimum of BREEAM¹⁴ 'very good' certification for all non-residential development is required from 2014, rising to BREEAM 'excellent' from 2016.
- 4.19 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. The Government have also recently announced the postponement of the introduction of national zero carbon homes policy, which was due to come into force in 2016. 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.
- 4.20 Appropriate modifications to the Local Plan to take account of the Housing Standards Review will now be proposed. We are looking to retain policies which require new developments to demonstrate how they have: met the principles of sustainable design and construction: met specific water efficiency standards: and integrated climate change adaptation measures into their design. We will also continue to work with developers to deliver sustainable housing developments and to promote other construction methodologies, including the new Home Quality Mark standard currently being developed by the Building Research Establishment (BRE).
- 4.21 Despite the changes introduced following the Housing Standards Review, all new Affordable Housing developments completed in Cambridge in 2014/15 were constructed to Level 4 of the Code for Sustainable Homes. The national legacy arrangements put in place following the Housing Standards Review also mean that the Council can still require developments where planning permission was granted before 27 March 2015 to be certified against the Code for Sustainable Homes delivered to meet Code Level 4. This mean that many of the new homes being constructed on the urban extension sites in Cambridge will be constructed to Code Level 4 and the University of Cambridge's North West Cambridge site being constructed to Code Level 5.
- 4.22 The City Council will continue to monitor new affordable housing completions against the standard in the future. Work is also underway to develop a new

¹⁴ BREEAM is an internationally recognised assessment method for sustainable building design, construction and operation

Sustainable Housing Standard for new social housing being delivered by the Council and our partners, using the requirements associated with Level 4 of the Code as a baseline standard.

Renewable and low carbon energy generation

- 4.23 The current Cambridge Local Plan includes a policy requiring all major developments to include at least 10% renewable energy provision. The draft Local Plan proposed a move away from this approach, with a greater focus on the hierarchical approach to reducing carbon emissions, which requires developers to prioritise investment in carbon reduction measures according to the level of likely impact. The level of carbon reduction proposed in the Local Plan was set at a level that would still require the use of renewable and low carbon energy generation.
- 4.24 However, in light of the Housing Standards Review, local planning authorities are no longer able to set standards for carbon reduction in new residential development. There is some uncertainty surrounding this element of the Housing Standards Review, given the Government's recent decision to postpone the introduction of national zero carbon policy. As such we are seeking clarity as to whether we can still pursue a policy to require specific levels of carbon reduction from new residential development.
- 4.25 For new non-residential development however, the requirement to meet the BREEAM excellent standard from 2016 will require renewable and low carbon energy generation. In addition, the draft Local Plan also contains a policy supporting additional renewable and low carbon energy generation, including community energy projects.
- 4.26 In 2012 the Council entered into a formal partnership with other local authorities in Cambridgeshire and Peterborough to gain access to technical assistance through the EU Mobilising Local Energy Initiative (MLEI) programme. The main activities to date have included a £5m programme to retrofit Cambridgeshire schools with energy efficiency measures and generating low carbon energy on the public sector estate, including progressing a £10m solar farm on Cambridgeshire County Council-owned farmland in Soham. Through membership of the partnership the City Council has gained access to approved contractors who are assessing the business case for further energy efficiency measures at City Council properties to inform our new Carbon Management Plan.
- 4.27 The Cambridgeshire and Peterborough partnership is currently developing a bid for funding from the European Regional Development Fund (ERDF) to set up an Energy Services Company and a low carbon investment fund to deliver further projects.

Future action

- 4.28 We will take a range of action over the next five years to reduce energy consumption from homes and businesses in Cambridge and tackle fuel poverty (see the table below for details).
- 4.29 We will continue to support residents and businesses to improve the energy efficiency of existing properties through the Action on Energy partnership. The initial contract with the commercial provider is for three years to November 2016, but there is the option to extend this contract annually until 2019. The Government has extended the Council's Green Deal Communities funding from March 2015 until the end of March 2016, and may consider extending funding beyond this date.
- 4.30 On 23rd July 2015 Government announced that Green Deal Finance was no longer available with immediate effect and that a wider review of national policies will be undertaken. We will continue work with a range of partners to identify and develop new opportunities in response to the changing policy environment to ensure that the priorities for Cambridge are met.
- 4.31 We will also continue to improve the energy efficiency of Council homes. As outlined above, as a result of significant investment in recent years, the Council housing stock has an average 'C' energy efficiency rating, with 80% of properties meeting or exceeding this standard. It will be more challenging and costly in future to bring the remaining 1450 properties up to a C standard, because they are harder to treat solid wall properties which require external insulation to significantly improve their energy efficiency. Over the next five years, the Council will continue to progressively install external insulation to these properties.
- 4.32 We have also explored the possibility of large-scale installation of solar PV panels on Council homes and commercial properties. This would have provided a free source of renewable energy for tenants, whilst generating income for the Council through Feed in Tariffs (FITs). Under the provisions of the Energy Act 2008, the Government has made FIT payments to individuals, businesses and organisations for energy supplied to the National Grid from solar PV panels, wind turbines and hydro-electric power installations. However, on 27 August 2015, the Government published proposals to reduce FIT rates for solar PV installations from 1 January 2016 by between 68% and 87%, depending on the size of the array of panels. This has made many new solar energy schemes financially unviable, including the schemes being developed by the Council. We will keep these schemes under review, in case the FIT rates change in future or the cost of solar panels continues to reduce.
- 4.33 We will also take steps to tackle fuel and water poverty in the city. In 2011, the proportion of households who experienced fuel poverty¹⁵ (14.7%) in Cambridge was worse than the national average (12.2%). There were 6,860 (14.7%) households in the City living in fuel poverty, with households in the private rented sector more likely to experience fuel poverty than those living in other tenures¹⁶. We will support residents in fuel poverty to reduce their fuel

¹⁵ Based on the 2011 definition of households spending more than 10% of their income on fuel

costs through the energy efficiency programmes outlined above, but we will also deliver a range of targeted actions outlined of the Council's Fuel and Water Poverty Action Plan, which is linked to the Council's wider Anti-Poverty Strategy. The draft Local Plan also includes a policy to ensure that all new development meets specific water efficiency requirements.

- 4.34 We will continue to promote energy efficiency and renewable energy provision in new developments in Cambridge. As outlined above, we will seek high sustainability standards in new developments in Cambridge by implementing the policies set out in the Local Plan, continuing to work with developers to deliver sustainable housing developments, and promoting sustainable construction methodologies, including the new homes standard currently being developed by the Building Research Establishment (BRE).
- 4.35 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. We will use the learning from members of the group to help develop the Sustainable Housing specification for the construction of new Council homes.
- 4.36 We will also continue to work with development partners to ensure that new developments on City Council-owned land meet sustainable construction standards. For example, housing development on the Clay Farm site in Trumpington will be delivered to above Level 5 of the Code for Sustainable Homes, and the new joint community centre at Clay Farm will be constructed to at least BREEAM excellent standards.

¹⁶ Cambridgeshire Insight, 2014, Cambridgeshire Atlas
<http://www.cambridgeshireinsight.org.uk/housing/existing-homes/fuel-poverty>

Actions to deliver Objective 2 - Reducing energy consumption and emissions from homes and businesses in Cambridge and tackling fuel poverty, by promoting energy efficiency measures, sustainable construction and renewable energy sources

Activity	Service	Performance measures	Completion date
2.1 Supporting residents to improve the energy efficiency of their property through the Action on Energy scheme.	Refuse and Environment	Number of completed installs of domestic energy efficiency measures facilitated through Action on Energy	Contract review November 2016
2.2 Progressively improving the energy efficiency of harder-to-treat City Council homes, with the aim of bringing them up to at least a C-rating.	Estates and Facilities	Number of hard-to-treat City Council properties where energy efficiency ratings have been improved Number of City Council properties with an energy efficiency rating of C or above	Ongoing to 2021 Ongoing to 2021
2.3 Implementing the City Council's Fuel and Water Poverty Action Plan (linked to the Anti-Poverty Strategy), including: <ul style="list-style-type: none"> • Piloting water meters in a selection of 1 or 2 bedroom council owned properties • Developing a water conservation information leaflet for inclusion in welcome packs for tenants moving into council-owned properties and at City Homes offices • Drop in sessions to distribute water and energy saving measures and provide information on energy efficiency measures to residents • Targeted promotion to private landlords on the benefits of installing energy and water savings measures. 	Refuse and Environment	Number of residents in low income target areas taking up either energy or water saving measures Number of residents in low income target areas taking up water meters or moving to an assessed rate	March 2017
2.4 Working with partners in Cambridge Retrofit to mobilise public and private finance for investment in large-scale retrofit of buildings and estates in Cambridge and promote exemplar projects and good practice	Refuse and Environment	Value of public and private finance invested in large scale retrofit of buildings in Cambridge Number of exemplar retrofit schemes	Ongoing to 2021

Activity	Service	Performance measures	Completion date
		delivered in Cambridge	
2.5 Commissioning voluntary and community groups to provide advice to businesses on reducing energy consumption and emissions as part of wider advice on sustainability	Corporate Strategy	Up to 15 businesses taking up advice on reducing their energy consumption and wider sustainability issues	March 2017
2.6 Requiring participating landlords in the Landlord Accreditation Scheme to bring their properties up to a D rating	Refuse and Environment	Number of participating Landlords in the Landlord Accreditation Scheme who have brought their properties up to a D rating	Ongoing to March 2021
2.7 Requiring new non-domestic properties to be constructed to BREEAM Excellent sustainability standards, through policies in the new Local Plan	Planning	Percentage of new non-domestic properties to constructed to BREEAM Excellent sustainability standards in Cambridge	Ongoing from adoption of the new Local Plan in 2016
2.8 Working with developers to deliver sustainable housing developments in Cambridge and promoting sustainable construction methodologies, including the new Home Quality Mark standard currently being developed by the Building Research Establishment (BRE) and the Council's own Sustainable Housing Specification once developed.	Planning	Numbers of new homes delivered by private developers which meet the BRE's Home Quality Mark, the Council's Sustainable Housing Specification, or other sustainable construction methodologies	Ongoing to March 2021
2.9 Working in partnership with social landlords, developers and architects through the Good Homes Alliance to share knowledge and learning on sustainable construction and promote the application of these principles in new developments in Cambridge	Planning	Successful engagement with partners in the Good Homes Alliance, including to inform development of Sustainable Housing Specification	March 2016
2.10 Constructing all new City Council homes and housing delivered with partners to a new Sustainable Housing Specification, incorporating the Good Homes Alliance standards, which seek to ensure homes which promote good health and wellbeing for residents, have proven performance and are low carbon	Strategic Housing and Planning	City Council Sustainable Housing Specification developed Sustainable Housing specification applied to new Council homes and promoted to private developers in the city	March 2016 April 2016 onwards
2.11 Promoting low carbon and renewable energy provision in	Planning	Number of low carbon and renewable energy installations by type requiring planning	Ongoing from adoption of the

Activity	Service	Performance measures	Completion date
new developments through Local Plan policies		permission Total installed capacity of low carbon and renewable energy technologies by type	new Local Plan in 2016
2.12 Engaging in partnership working where appropriate, including County-wide and EU funded projects, to promote energy efficiency and low carbon energy.	Planning Corporate Strategy	Whether we have engaged effectively in partnership working; and project-specific measures to be identified as projects are developed.	March 2021

Objective 3. Reducing emissions from transport by promoting sustainable transport and reducing car travel and traffic congestion

- 5.1 As shown in Figure 2 above, surface transport accounts for 20% of all greenhouse gas emissions in the UK, with aviation accounting for a further 5.5% of emissions. Car travel is responsible for the majority of surface transport emissions, with vans, HGVs, buses and trains making up a much smaller proportion.
- 5.2 As shown in Figure 3 above, when looking at carbon emissions alone, transport is responsible for 27.3% of emissions in the UK, but only 13.8% of emissions in Cambridge. This could be in part due to relatively high usage of sustainable modes of transport amongst Cambridge residents. For example, a significant proportion of the City's population already cycle regularly, with the 2011 Census data confirming that 31.9% of residents in the city cycle to work, the highest proportion in the UK.
- 5.3 Cambridge is a small, compact city, which suffers from congestion on most major radial roads at peak times. Increased economic, population and housing growth in the area over the next few years will place additional pressure on these roads. It is therefore imperative that the City Council continues to work with partners to promote a reduction in single car trips and a shift to more sustainable forms of transport, including walking, cycling and public transport.
- 5.4 As outlined above, the Committee on Climate Change recommends that local authorities should reduce emissions from transport by:
- developing local sustainable transport plans;
 - providing cycling infrastructure;
 - providing better public transport and low-emissions buses and vehicles;
 - using parking charges to influence behaviour;
 - supporting investment in electric vehicle charging infrastructure; and
 - ensuring new residential and office developments are well served by sustainable transport.
- 5.5 As outlined below, the City Council has delivered a number of projects over the past five years to help residents make more sustainable transport choices. These have ranged from installing new cycle racks and improving bus shelters, to using planning policy to promote sustainable transport options. The City Council recognises, however, that it cannot reduce emissions from transport in the city on its own. Transport is an area where the City Council has less direct influence because it is not primarily responsible for providing services in this area. The County Council is responsible for highways and transport matters in the city, while private companies provide public transport services such as buses and taxis.
- 5.6 However, the Council recognises that much more can be achieved on sustainable transport issues in future through working in partnership with other local organisations from the public, voluntary and private sectors. As outlined

in more detail below, the City Council has worked closely with the County Council on a range of policies and projects, from influencing the Transport Strategy for Cambridge and South Cambridgeshire, to jointly-funded projects to improve highways for cyclists and deliver on-street spaces for car clubs.

Progress to date

- 5.7 One of the key mechanisms to influence transport emissions available to the Council is planning policy. The draft Local Plan includes a strategic objective to ensure that all new development is “located to help minimise the distance people need to travel, and be designed to make it easy for everyone to move around the city and access jobs and services by sustainable modes of transport”. This objective is supported by a number of policies in the plan, 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 high quality public transport, cycling and walking;
 - Prioritising networks of public transport, pedestrian and cycle movement so these are the best and safest means of moving around Cambridge. Areas where these modes are difficult or dangerous will be improved and, where possible, have further capacity provided;
 - 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 highway, for example the Chisholm Trail, and requiring developers to fund high-quality cycle paths;
 - Setting minimum standards for numbers and design of cycle parking spaces to be provided in all new developments;
 - Ensuring that new roads are designed to give high priority to the needs of pedestrians and cyclists and provide safe and appropriate access to the adjoining road, pedestrian and cycle networks.
- 5.8 The City Council has worked closely with partners, particularly with Cambridgeshire County Council in their role as Highways Authority, to help promote access to sustainable modes of travel and reduce transport-related emissions. For example, the City Council has helped to shape the Transport Strategy for Cambridge and South Cambridgeshire, which was adopted by Cambridgeshire County Council in March 2014. The strategy provides a detailed policy framework and programme of schemes to address current problems for the area. The aim of the strategy is for more journeys in Cambridge and South Cambridgeshire to be made by bus, train, bike and on foot so that traffic levels are not increased as the local economy and population continues to grow.
- 5.9 A number of partnership projects have also been progressed with Cambridgeshire County Council over the past five years which will help promote a shift to more sustainable modes of transport in Cambridge. These included:

- Installing new cycle racks in 2014/15 to provide an additional 600 cycle parking spaces in the city centre.
- Delivering a joint £500,000 programme of improvements to existing highways for cyclists between 2012/13 and 2014/15. This included: the Downham's Lane adoption and improvement scheme, which connects Milton Road and Kings Hedges; changes to the Perne Road/Radegund Road roundabout to reduce vehicle speeds and increase cycle safety; and the widening of the avenue path on Jesus Green. Public consultation has also recently closed on proposed improvements to the Green Dragon pedestrian and cycle bridge, which crosses the River Cam between Stourbridge Common and Chesterton.
- Awarding over £50,000 in cycling and walking promotion grants to local community and voluntary groups between 2012/13 and 2014/15. Projects included: software development for monitoring cycle usage in the city; bikes and cycle training for young carers; cargo bikes for a social enterprise run by a homeless support charity; and cycle storage facilities for the YHA.
- Ensuring that buses operating in Cambridge meet higher emissions standards. The City and County Councils worked closely with local bus operators through the Quality Bus Partnership to agree emissions standards for new buses for 2010-2015. Through introducing new engine technologies in bus fleets, these standards have been met for particulate matter and are very close to being met for nitrous oxides.
- Delivering a £267,000 programme of improvements to bus shelters across the city during 2012/13, including the installation of shelters at 12 new sites and the replacement of 60% of existing shelters.
- Completing work with the County Council to deliver new on-street spaces for car clubs in Cambridge.
- Contributing annual 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.

Future action

- 5.10 We will take a range of action over the next five years to reduce emissions from transport in Cambridge by promoting sustainable transport and reducing car travel and traffic congestion (see the table below for details).
- 5.11 We will work with partners to secure major improvements to public transport and cycling infrastructure, which will increase opportunities for residents and visitors to travel by sustainable modes of transport and provide less incentive to travel by car.
- 5.12 One of the key mechanisms for achieving this over the next five years is the Greater Cambridge City Deal. The Council has signed a City Deal agreement with the Government and local partners, including Cambridgeshire County Council, South Cambridgeshire District Council and the University of

Cambridge, which will provide £100m extra funding for transport infrastructure in the Greater Cambridge area between 2015 and 2020. The Executive Board has prioritised investment in the following schemes from the Transport Strategy for Cambridge and South Cambridgeshire during this period:

- Milton Road bus priority
- Madingley Road bus priority
- Histon Road bus priority
- A428 to M11 segregated bus route/A428 corridor Park & Ride
- City Centre capacity improvements/cross-city cycle improvements
- A1307 corridor to include bus priority/A1307 additional Park & Ride
- The £8.4 million Chisholm Trail off-road walking and cycling route, which will link the North and South of Cambridge

- 5.13 We will also ensure that new housing and commercial developments in Cambridge are accessible by sustainable modes of transport by implementing the new Local Plan policies outlined above. We will safeguard existing cycling and walking routes and land for public transport facilities through the Local Plan, and will use planning policy to secure high quality cycle lanes, cycle parking and on-street spaces for car clubs as part of major new developments. For example, additional car club spaces have been secured through planning permissions for major new developments at the Clay Farm site in Trumpington and the North West Cambridge development.
- 5.14 We will work with Cambridgeshire County Council and local bus operators in the Quality Bus Partnership to promote a shift from diesel powered buses to low emissions buses in the city over the next 10 years. A range of technologies will be explored, including Euro 6 Buses, hybrid vehicles, fully electric vehicles, and retrofitted flywheel technology, which delivers significant fuel savings by capturing the energy used in braking and uses this to power vehicles. We expect the first buses to be in place by 2020, with the ambition for 100% low emission buses accessing a controlled zone by 2025.
- 5.15 We will also take steps to promote a shift to low emissions vehicles for all taxis in Cambridge by 2025. We will tailor our Taxi Licensing Policy to incentivise low emission taxis, and we submitted a bid to the Office of Low Emission Vehicles to support the introduction low emission purpose built taxis and rapid charging infrastructure. In July 2015 OLEV announced that it would fund feasibility studies in Cambridge and 7 other local authorities, which will be considered for a share of £20 million of funding.

Actions to support Objective 3 - Reducing emissions from transport by promoting sustainable transport and reducing car travel and traffic congestion

Activity	Service	Performance measures	Completion date
3.1 Investing in improvements to public transport and cycling infrastructure through the City Deal to tackle congestion, reduce journey times, reduce greenhouse gas emissions and improve air quality	Corporate Strategy	Key schemes progressed, including: <ul style="list-style-type: none"> • Milton Road bus priority • Madingley Road bus priority • Histon Road bus priority • A428 to M11 segregated bus route/A428 corridor Park & Ride • City Centre capacity improvements/cross-city cycle improvements • A1307 corridor bus priority/ additional Park & Ride • Chisholm Trail off-road walking and cycling route 	2020
3.2 Ensuring through planning policy that new developments are located in Cambridge or in locations served by high quality public transport connections, as well as making provision for cyclists and pedestrians	Planning	Monitoring of policy usage as part of the development management process.	Ongoing from adoption of the new Local Plan in 2016
3.3 Promoting low-emissions buses and taxis in partnership with the County Council, bus companies and taxi companies (including current funding bids to the Office for Low Emissions Vehicles)	Refuse and Environment	First low emission buses in place 100% of buses accessing controlled zone are low emissions buses 100% of vehicles in the private taxi fleet are low emission vehicles	December 2020 March 2025 March 2025
3.4 Delivering a programme of public realm improvements through a three-year Environmental Improvement Programme (EIP), including upgrading cycling facilities, improving cycle	Streets and Open Spaces	Number of cycling facilities improved in Cambridge	March 2019

Activity	Service	Performance measures	Completion date
routes, remodelling street corners and junctions, and changing yellow lines on streets		Number of cycle routes improved in Cambridge Number of improvements to street corners and junctions <i>N.B. all measures subject to continued availability of funding for EIP</i>	
3.5 Work with partners to facilitate provision of electric charging hubs for all types of vehicles in Cambridge, including bikes.	Refuse and Environment	Number of electric charging hubs provided in Cambridge	Ongoing to March 2021
3.6 Securing additional car club spaces through planning policy and planning permissions for major developments	Planning	Number of additional car club spaces delivered at major developments in Cambridge	Ongoing to March 2021
3.7 Providing core funding for the Travel for Work Partnership's work to develop travel plans for employers in the City and encourage employees to travel to work using sustainable modes of transport, until the Partnership becomes financially self-sustaining	Corporate Strategy	Number of employment sites that the Travel for Work Partnership has worked with to develop employee sustainable travel plans Number of commuters working at employers with sustainable travel plans supported by TfW	March 2017

Objective 4. Reducing consumption of resources, increasing recycling and reducing waste

- 6.1 As shown in Figure 2 above, waste accounted for 3% of all greenhouse gas emissions produced directly in the UK in 2013. However, as highlighted above, when the emissions embedded in goods produce overseas are taken into account, DEFRA estimates that 83.7% of greenhouse gas emissions from households in the UK result from the consumption of goods, produced either in the UK or imported from overseas.
- 6.2 The Commission on Climate Change recommends that in relation to reducing waste and consumption, local authorities should focus: implementing separate food waste and recycling collection systems; policies and campaigns to encourage waste prevention and recycling; and facilitating recycling centres (which is a County Council responsibility).
- 6.3 The key challenge for the City Council in Cambridge is encouraging and increasing participation in recycling. In 2014 we collected more than 21,000 tonnes of recycling from blue and green household bins and recycling points across the city. The recycling rate in Cambridge increased from 43.3% in 2011/12 to 44.1% in 2013/14, before dipping slightly to 43.8% in 2014/15. It is challenging to increase recycling rates in Cambridge further, because the city attracts a large number of visitors and has a high population turnover, making it difficult to embed key messages and change behaviour.
- 6.4 The recycling rate in Cambridge in 2013/14 (44.1%) was lower than in neighbouring local authority districts, such as East Cambridgeshire (45.3%), South Cambridgeshire (57.0%) and Huntingdonshire (57.5%). However, rates in Cambridge are similar to those in comparator authorities under the former Best Value performance regime. Comparable urban local authorities, such as Oxford (44.3%), Ipswich (41.2%) and Lincoln (42.2%), tended to have similar recycling rates in 2013/14 to Cambridge.

Action to date

- 6.5 The Council has assisted residents and businesses to reduce their carbon emissions through providing recycling and waste collection services. Over the past five years we have made a range of improvements to these services, including:
- Increasing the range of materials that can be collected and recycled from homes by adding plastic pots, tubs and trays to kerbside collections in 2012 and plastic bags and film in 2014.
 - Providing commingled recycling for many flats.
 - Providing mixed dry recycling banks at all 25 recycling points across the city, enabling a greater range of materials to be collected, and increasing the number of banks for recycling small electrical items and textiles.
 - Providing new food waste collection services and mixed recycling services (including food tins, drinks cans and aerosols; paper and cardboard; plastic bottles, pots, tubs and trays; glass bottles and jars; cartons; and

plastic bags, clean film and wrapping) to businesses. The mixed recycling service led to an increase in recycling of commercial waste collected by the Council from 21% in 2011/12 to 29% in 2013/14. Many schools have also been provided with commingled recycling.

6.6 We have also carried out a range of successful campaigns to encourage residents to reduce consumption and waste production, to reuse goods and to recycle waste. For example:

- Local volunteers from the Council's Recycling Champions scheme have carried out door-knocking exercises in blocks of flats to raise awareness of recycling, and have attended local events to provide information and communicate with residents about any barriers they may have to recycling.
- We have promoted textile recycling and food waste recycling to residents, including giving away kitchen caddy giveaways.
- We have promoted the Council's bulky waste collection service and local voluntary and community groups which recycle furniture, white goods, paint other household items.
- We have promoted the Council's new food waste collection service and commingled recycling services to businesses.
- We have installed in-cab technology on most waste collection vehicles, which will enable the Council to identify areas where recycling rates are lower and target future campaign work at these areas of the city.

6.7 We have also worked with local partners to encourage residents to reduce consumption of goods and support locally produced goods. For example, in 2014/15 we worked 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 reduce food consumption and waste and promote sustainably produced food. Cambridge Sustainable Food has been accepted as a member of the national Sustainable Food Cities Network and is working towards achieving Sustainable Food City status.

Future action

6.8 Following recent increases in the range of materials collected as part of our kerbside recycling scheme, we are currently collecting all the types of materials that can be recycled under current technology. We have recently let a joint contract with a commercial provider for the next 6 years to sort recycling waste collected from blue bins, and we will ensure that the contractor keeps the facility up to date with the latest technology needed to recycle new materials.

6.9 To address the challenge of embedding recycling messages in a city with a high level of population turnover, we will continue to carry out awareness raising campaigns, such as Love Food Hate Waste and Recycling for Cambridge. We will also carry out targeted campaigns to increase the amount

of food waste and recycling collected from businesses, and from property-types where recycling rates tend to be lower, such as flats and houses in multiple occupation (HMOs). We will also explore opportunities to increase recycling at 'bring banks' through increasing the range of materials and the number of sites across the city.

6.10 We will continue to work with partners in the Cambridge Sustainable Food partnership to deliver a range of actions to reduce waste and promote sustainable and locally produced food. The partnership has developed a detailed action plan which contains a number of actions that will be led by the Council, 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.

Actions to deliver Objective 4 - Reducing consumption of resources, increasing recycling and reducing waste

Activity	Service	Performance measures	Completion date
4.1 Working with partners in the Cambridge Sustainable Food network to achieve Sustainable Food City status for Cambridge and delivering key actions in Sustainable Food Action Plan	Corporate Strategy	Sustainable Food City status achieved for Cambridge Council-led actions in the Sustainable Food Action Plan delivered	April 2016 Ongoing to March 2021
4.2 Maintain the current level of occupancy rates at existing allotments and support take-up of new community gardens and allotments in growth sites to encourage residents to grow their own food	Streets and Open Spaces	Existing allotments continue to be fully occupied Numbers of new community gardens and allotments taken up in growth sites	March 2021 March 2021
4.3 Including guidance in the forthcoming update to the Sustainable Design and Construction Supplementary Planning Document (SPD) to encourage developers to incorporate food growing into existing and new developments through the creation of roof gardens and/or growing spaces in residential housing and commercial developments.	Planning	Sustainable Design and Construction Supplementary Planning Document adopted Number of developments including an element of on-site food growing provision.	Following adoption of Local Plan in 2016/17 Ongoing from adoption of the SPD
4.4 Developing and delivering a programme of local cooking skills sessions across Cambridge to encourage healthy eating and reduce reliance on processed and packaged food	Community, Arts and Recreation	Number of cooking skills sessions delivered, numbers of attendees benefitting from advice on sustainable cooking, and changes in eating behavior assessed through continuing contact with the individual and their family.	March 2017
4.5 Promoting healthy and sustainable produce to food businesses through the Healthier Catering Commitment for Cambridgeshire (HCCC) project, including food businesses providing eat-out food to lower income areas of Cambridge	Refuse and Environment	Number of businesses taking part in scheme and visible changes to menus or recipes	Ongoing to March 2021

Activity	Service	Performance measures	Completion date
4.6 Increasing food waste collections from commercial properties	Refuse and Environment	Increased the monthly tonnage of commercial food waste recycled to 40 tonnes	March 2017
4.7 Exploring opportunities to increase opportunities to recycle at 'bring banks' through increasing the range of materials that can be recycled and the number of sites	Refuse and Environment	Opportunities for increased range of materials or new bring bank sites explored	Ongoing to March 2021
4.8 Continuing to carry out targeted recycling awareness campaigns, including Love Food Hate Waste and campaigns to encourage greater recycling by Houses in Multiple Occupation	Refuse and Environment	Run 4 Love Food Hate Waste (LFHW) events dovetailing into Cambridge Sustainable Food initiative Visited 50 HMOs to carry out face to face engagement to increase recycling.	March 2017 March 2017
4.9 Helping to promote voluntary and community groups, e.g. Cambridge Reuse, Emmaus and other recycling and reuse charities	Refuse and Environment Corporate Strategy	Number of articles in Council publications and press release issued which promote local voluntary and community groups involved in recycling and reuse activities	March 2017

Objective 5. Supporting Council services, residents and businesses to adapt to the impacts of climate change

- 7.1 Our climate is changing and the impacts from it are likely to affect most of us in some way during our lifetimes. It is therefore vital that we work with local partners and communities in Cambridge to ensure that we are prepared for likely changes and are able to adapt to them as far as possible.
- 7.2 In 2012 the Government carried out the Climate Change Risk Assessment (CCRA) for the UK, which identified more than 100 significant risks. In 2013, it published a report on the National Adaptation Programme (NAP), which sets out the role of key sectors in responding to these risks. The report identifies a number of roles for councils to increase the resilience of local places and communities, including:
- Planning for the long term by reflecting climate risks and sustainable development in Local Plans
 - Building resilience to climate change risks into decisions on buildings, roads, businesses, parks and other public spaces
 - Building resilience into key services such as social care, emergency planning and public health
 - Increasing local authority resilience to extreme weather by building climate change risks into corporate risk registers
 - Making the best use of land, assets, investment and maintenance spending to manage risk better
 - Supporting retrofitting, green-build and the design and management of green spaces
 - Encouraging local businesses to be climate ready
- 7.3 The NAP recognises that the impacts of extreme weather and climate change will vary from location to location, so in many cases the risks will need to be managed locally. In response to the CCRA, DEFRA commissioned Regional Climate Change Partnerships to produce a summary of regional climate change risks. The summary for the East of England region¹⁷ identifies three key risks:
- flooding;
 - water shortages and droughts; and
 - increased summer temperatures and heatwaves;
- 7.4 Increases in the amount of rainfall in the winter are predicted to increase the area of severe flood risk in Cambridge from the River Cam. Intense rainfall in short periods could lead to flash flooding, with recent experience of flooding in other regions suggesting that rainfall exceeding the local drainage capacity can be as a great a risk as rivers bursting their banks.
- 7.5 The key impacts of any flooding would be:

¹⁷ Climate UK, A Summary of Climate Change Risks for East England: to coincide with the publication of the UK Climate Change Risk Assessment (CCRA), 2012

- Public health and safety risks for residents
- Long-term physical and mental health impacts for residents
- Damage to buildings and infrastructure
- Disruption of the local economy through lost work days, disruption of transport and supplies and insurance and repair costs
- Habitat changes and restoration costs

7.6 Our water supply is determined by the level of rainfall that feeds our rivers and recharges groundwater levels. The UKCP09 data outlined above suggests that in future the East of England will experience greater seasonal extremes in rainfall, with wetter winters and drier summers. Coupled with higher summer temperatures, which increase evaporation rates and water use by vegetation, the level of available water resources could decrease even more. The risk of water shortages and droughts can therefore be expected to increase as the climate changes. This would have varying impacts on water users, including:

- The need for water rationing
- Hosepipe bans
- Disruption of water-reliant businesses
- Closure of water-reliant recreational activities
- Reduced water quality standards
- Species and habitat stress and
- Deterioration of river and wetland ecology

7.7 Increased summer temperatures could lead to summer heat waves and the exceptionally hot years experienced in 2003 and 2006 could become the norm by the 2050s¹⁸. This would have significant impacts on people, the economy and the environment. The CCRA¹⁹ and the Government's Heatwave Plan²⁰ identify the following potential risks from increased summer temperatures:

- Increased incidence of heat-related illnesses including heat stroke, exhaustion, and cramps, and an increased risk of heat-related deaths.
- An increased health risk from water, vector and food borne diseases
- An increased risk in the number of skin cancer cases and deaths
- A loss of productivity for businesses due to overheating. Based on the medium or high UKCP09 emissions scenarios, the East of England and the South East are likely to face the highest loss of staff days due to heat²¹
- Increased energy consumption from cooling and refrigeration
- Subsidence and heat-related damage or disruption to buildings, energy and transport networks

¹⁸ Climate UK, 2012, A Summary of Climate Change Risks for East England: to coincide with the publication of the UK Climate Change Risk Assessment (CCRA),

¹⁹ DEFRA, January 2012, UK Climate Change Risk Assessment: Government Report

²⁰ Department of Health, Heatwave Plan for England, 2007

²¹ Climate UK, 2012, A Summary of Climate Change Risks for East England: to coincide with the publication of the UK Climate Change Risk Assessment (CCRA)

- Increased risk of wildfires
- Threat of extinction to some species, and the migration of some species, including the invasion of non-native species, pests and diseases for which we may not be prepared

7.8 However, it is important that we do not focus solely on the geographical risks to different communities from climate change. Recent research by the Joseph Rowntree Foundation²² found that poverty can increase the vulnerability of individuals and communities to climate impacts. The extent to which individuals are able to cope with the impacts of climate change is influenced by the interaction between personal factors (e.g. health, age), social factors (e.g. income, neighbourhood cohesion, isolation), and environmental factors (e.g. building quality, green space).

7.9 It is important therefore for local authorities to consider the vulnerability of individuals and communities to climate change risks, and to focus on building the long-term resilience of vulnerable people and communities to climate change risks, rather than short-term disaster responses.

Progress to date

7.10 As part of the local government chapter of the NAP, a Local Adaptation Advisory Panel (LAAP) has been set up, the aim of which is to provide advice to central government to help enhance the capacity for local leadership in relation to climate change adaptation. Since January 2014, we have been a member of the LAAP steering group, and have helped provide advice to government in relation to proposals to update the NAP. A key piece of work that has recently been completed by LAAP members and the LGA has been the development of a Business Case for Climate Adaptation²³, which includes the Council's approach to the promotion of sustainable drainage systems (SuDS) as a case study of best practice.

7.11 We have worked closely with partners in the Cambridgeshire Flood Risk management partnership to manage climate change-related flood risks. Through this partnership, we have contributed to the development of Cambridgeshire County Council's Local Flood Risk Management Strategy, which sets out how partners will:

- Managing the likelihood and impact of flooding
- Helping Cambridgeshire's citizens to understand and manage their own risk
- Ensuring new development in Cambridgeshire does not increase flood risk
- Improving flood prediction, warning and post flood recovery.

7.12 The NAP and the National Planning Policy Framework 2012 (NPPF) highlight the importance of local planning authorities using planning policy to help manage climate change risks, including flood risk and water supply and

²² Joseph Rowntree Foundation, 2014, Climate Change and Social Justice: an Evidence Review

²³ Climate Ready Councils. 2015, The business case for managing the impacts of severe weather and a changing climate

demand considerations. We have worked with Cambridgeshire County Council to develop a county wide Flood and Water Supplementary Planning Document to provide guidance to developers, and a policy on flood risk management has been included in the draft new Local Plan for Cambridge.

- 7.13 Promoting SuDS is a key element of the policy on flood risk management in the draft Cambridge Local Plan. SuDS help reduce the risk of flooding in developed areas by replicating natural drainage systems to slow the rate that water drains and reduce the amount of runoff entering into sewers. Examples of SuDS include green and brown roofs, permeable paving and wetland areas within large open spaces. National planning policy already places an emphasis on the use of SuDS in new developments, and the policy in the draft Local Plan requires developments of all scales in Cambridge to include SuDS.
- 7.14 We have progressively established SuDS in open spaces that we are responsible for. We are ensuring through the planning process that non-adopted open spaces in major new developments on the fringes of Cambridge are permeable, and progress is also being made on major developments across the rest of the city. The Council's award winning Sustainable Drainage Design and Adoption Guide has been widely recognised as a case study in best practice in promoting the use of SuDS and is now being used by a number of other local authorities across the country.
- 7.15 The draft Local Plan also includes a broader policy on 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 Supplementary Planning Document.
- 7.16 To manage the impact of new development on water supply in Cambridge and to reduce the risk of water shortages in future, the draft Local Plan included a policy requiring water consumption in new homes to be no more than 80 litres per head per day. However, the Government's Housing Standards Review (HSR) recommended limiting the extent to which local planning authorities in areas of water stress can set water consumption standards for new homes. It is likely, therefore, that we will only be able to set a standard of 105 litres per head per day through planning policy, which was the optional standard identified by the HSR. However, we will continue to work with developers to attain higher levels of water efficiency and sustainable construction, including in the delivery of new Council housing in the city, where work on a new Sustainable Housing specification will include requirements related to water efficiency.
- 7.17 We have carried out a range of other work to help manage climate change risks, including:

- Production of a city wide Surface Water Management Plan, which has identified the areas at greatest risk of surface water flooding. This has led to the implementation of specific retrofit projects working with partners including Cambridgeshire County Council, the Environment Agency and Anglian Water. Specific projects include property level protection measures in Coleridge/Cherry Hinton (e.g. flood doors). Funding is also being sought for projects at Riverside, Kelvin Close and Brunswick Walk.
- Carrying out public consultation on issues and options for the Council's forthcoming arboricultural strategy, which will include a focus on increasing the numbers of trees in Cambridge.
- Working with volunteers and wildlife organisations to protect, enhance and restore a network of 12 Local Nature Reserves in the city to provide sustainable habitats for a range of wildlife.
- Working with partners in the Cambridgeshire Resilience Forum to develop, review and implement emergency response plans, including: a Flood Plan; a Heatwave Plan; a Severe Weather Plan; and City Emergency Plan.
- Developing community capacity and resilience through providing a total of £125,000 funding to local community and voluntary groups through our Sustainable City Grants for a range of projects focussing on both climate change mitigation and adaptation.

Future action

- 7.19 While it is important that the City Council contributes to international and national efforts to mitigate climate change and restrict global temperature increases, we recognise that irreversible changes to our climate have already taken place and there will be further impacts regardless of the action we take now to limit climate change.
- 7.20 As outlined above, we have already taken action to manage some of the predicted risks facing Cambridge, but in the light of evidence from the CCRA and the NAP, together with a growing body of good practice from other local areas, we recognise that there is a need for the Council to focus more on climate change adaptation in the coming years. In particular, it is essential that we support residents and communities who are most vulnerable and least able to take steps to manage risks themselves.
- 7.21 The table below sets out some of the steps we will be taking in future to manage local risks, but we will also be doing further work to develop our approach. In July 2015 we submitted a bid to the Environment Agency's Climate Ready service for targeted support in relation to climate change adaptation. While this bid was not successful, the work that informed the bid can now be used to develop an evidence base for climate change to enable us to have a better understanding of the climate risks facing the city and the adaptation actions that will have the greatest benefit across the city.

Actions to deliver Objective 5 - Supporting Council services, residents and businesses to adapt to the impacts of climate change

Activity	Service	Performance measures	Completion date
<p>5.1 Including policies in the Local Plan which will support residents to adapt to the impact of Climate Change, including policies on:</p> <ul style="list-style-type: none"> • Designing buildings which are simple to keep cool and do not overheat in hotter weather; • Requiring applications to include Sustainable Drainage Systems (SuDS) and ensuring that development is not at risk from flooding and that it does not increase the risk of flooding elsewhere; and • Requiring new domestic properties to meet high water efficiency standards (no more than 105 litres of water to be consumed per day) along with standards for non-domestic properties 	Planning	<p>Local Plan adopted, including policies on heat management, SuDs and water efficiency in new buildings and developments</p> <p>Policies on heat management, SuDs and water efficiency in new buildings and developments implemented</p>	<p>2016</p> <p>Ongoing from 2016 onwards</p>
5.2 Exploring opportunities to install Sustainable Drainage Systems (SuDs) on Council property and open spaces as part of any new developments	Streets and Open Spaces	Percentage of SuDs installed on Council property and open spaces as part of any new developments – target 100%	Ongoing to March 2021
5.3 Working with Cambridgeshire County Council and other partners in the Cambridgeshire Flood Risk Management Partnership to manage climate change-related flood risks	Streets and Open Spaces	Attendance at Cambridgeshire Flood Risk Management Partnership quarterly meetings. Target 100%	Ongoing to March 2021
5.4 Contributing to Cambridgeshire-wide planning advice on minimising flood risk and incorporating this into local planning policy through the new Local Plan	Streets and Open Spaces and Planning	Cambridgeshire-wide planning advice on minimising flood risk written. Local Plan submitted for examination, including policies on minimising flood risk	December 2016
5.5 Providing advice for residents on how to reduce health risks during heat waves and minimise risks of surface water flooding, including via the Council's website and the Cambridge Matters	Planning	Information for residents on how to reduce health risks during heat waves and minimise risks of surface water flooding	Ongoing to March 2021, with timing

Activity	Service	Performance measures	Completion date
residents magazine. Promotion of advice to be linked to specific climate events (e.g.heat wave guidance to be published in spring ahead of possible heatwave events).		published in Cambridge Matters and regularly updated on the Council's website	linked to specific climate events
5.6 Implementing the City Council's new tree strategy, which sets out the Council's policies for managing and increasing the city's tree stock	Streets and Open Spaces	New tree strategy completed Tree strategy reviewed, including assessment of numbers of trees in Cambridge Increase tree canopy cover across the city centre by 2%	October 2015 March 2021 March 2030
5.7 Ensuring that planting in open spaces owned or managed by the City Council is drought resistant and requires less watering	Streets and Open Spaces	Percentage of planting in open spaces owned or managed by the City Council that is drought resistant and requires less watering	March 2021
5.8 Working with members of the Cambridgeshire Resilience Forum to ensure that plans are in place to respond to climate change risks (including issuing alerts in the event of severe weather, increased temperatures and flooding) and that these are regularly tested and reviewed	Emergency Planning, Human Resources	Plans are in place to respond to severe weather, heatwaves and flooding emergencies and are regularly reviewed and tested	Ongoing to March 2021
5.9 Management of watercourses to enhance their flow and storage capacity and deliver wider biodiversity benefits	Streets and Open Spaces	Annual maintenance undertaken – target 100% Projects undertaken to increase flow, storage capacity and biodiversity benefits – target 2 per year	March 2021 March 2021
5.10 Develop an evidence base for climate change adaptation to enable us to have a better understanding of the climate risks facing the city and the adaptation actions that will have the greatest benefit across the city.	Corporate Strategy, Planning and Streets and Open Spaces	Evidence base on climate change adaptation developed and further actions identified to manage climate change risks	March 2017

8.0 Measuring and monitoring impact

- 16.1 It will be important to measure the contribution of this strategy to mitigating climate change and managing its impacts in Cambridge. We will assess whether the action we have taken and the investment we have made has made a difference.
- 16.2 Where possible, we have identified or proposed potential targets for individual actions included in the action plan below. These targets relate to the expected outputs from these activities. For example, for action 1.5 on the Council's Employee Travel Plan, we have identified a target of '4,619 business miles travelled by bicycle per annum'. Similarly for action 3.3 on low emissions taxis we have set a target of '100% of vehicles in the private taxi fleet are low emission vehicles' by 2025.
- 16.3 Where projects are still in the early stages of development, or it is more difficult to identify tangible outputs due to the nature of the project, we have identified clear project milestones that will be achieved by the completion date. For example, one of the key milestones for action 5.4, which focuses on producing planning advice on flood risk, is: 'Cambridgeshire-wide planning advice on minimising flood risk written' by December 2016. Where possible we will firm up output-based targets for these actions before the final Climate Change Strategy is approved in March 2016.
- 16.4 We will also set a target for reducing carbon emissions from the Council's operations and estate between 2016-2021 as part of the development of the Council's new Carbon Management Plan²⁴. This target will be measured against our carbon emissions in the baseline year of 2014/15. We will report progress towards this target annually as part of our Greenhouse Gas Report to Government, which we will publish on the Council's website each year.
- 16.5 As outlined at 2.23 above, the Council can help support residents and businesses in Cambridge to reduce their carbon footprint through a range of activities, ranging from improving the energy efficiency of homes to promoting recycling and reduction of waste. The actions set out in this strategy are intended to have an impact on these key areas. However, as explained at 2.24 above, the City Council cannot tackle every aspect of climate change on its own, because policies for some major carbon-emitting sectors of the economy (e.g. the power sector, aviation and shipping) are set at a national and European level. As outlined at 5.5, the City Council is also not directly responsible key areas of local policy and service provision which impact on climate change (e.g. transport), although we work closely in partnership with other agencies on these issues.
- 16.6 We have therefore not set a target in this strategy to reduce carbon emissions from the city of Cambridge. However, over the course of the Strategy we will monitor figures produced by the Department of Energy and Climate Change

²⁴ See action 1.1 on page 14 and paragraphs 3.10 to 3.12 on page 12 for more information on the development of the Carbon Management Plan

(DECC) on per capita carbon emissions from Cambridge. As Figure 1 on page 5 shows, emissions per capita in Cambridge have declined steadily from 6.7 tCO₂ per person in 2005 to 5.8 tCO₂ in 2013. We would hope that the actions outlined in this strategy will contribute to a continuation of this trend.

- 16.7 We will report progress on the key actions and output measures included in the strategy, to the City Council's Strategy and Resources Committee on a regular basis, with the first report to be provided in 2017. As part of these reports will also provide updates on carbon emissions from the Council's estates and operations, and on per capita carbon emissions from the city of Cambridge.

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Cambridge City Council Equality Impact Assessment



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

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

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

Draft Climate Change Strategy 2016-2021

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

The purpose of the draft Climate Change Strategy is to:

- provide a summary of the wider context for the strategy, including the scientific evidence of climate change and the steps being taken by international bodies and national government to address it.
- identify key achievements over the period of the current strategy and identify any lessons learnt.
- set out the action that the Council will take over the next five years to support global efforts to mitigate climate change and to support local residents and businesses to adapt to the anticipated effects of climate change.

The five objectives thematic objectives proposed for the revised strategy are:

1. Reducing emissions from the City Council estate and operations
2. Reducing energy consumption and emissions from homes and businesses in Cambridge by promoting energy efficiency measures, sustainable construction and renewable energy sources
3. Reducing emissions from transport by promoting sustainable transport and reducing car travel and traffic congestion
4. Reducing consumption of resources, increasing recycling and reducing waste
5. Supporting Council services, residents and businesses to adapt to the impacts of climate change

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

- Residents
- Visitors
- Staff

A specific client group or groups (please state):

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

- New
- Revised
- Existing

5. Responsible directorate and service

Directorate: Chief Executive's

Service: Corporate Strategy

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):

The Strategy identifies a total of 46 actions for the following services: Refuse and Environment, Planning, Estates and Facilities, Streets and Open Spaces, Strategic Housing, Community Arts and Recreation, Property Services, Human Resources, Procurement, Internal Audit

7. Potential impact

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

When answering this question, please think about:

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

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

The strategy highlights that recent research by the Joseph Rowntree Foundation¹ found that the extent to which individuals are able to cope with the impacts of climate change is influenced by the interaction between personal factors (e.g. health, age), social factors (e.g. income, neighbourhood cohesion, isolation), and environmental factors (e.g. building quality, green space). Older people are more likely to be vulnerable to the impacts of climate change, such as heat waves and extreme weather events, due to a combination of age, health issues and greater social isolation.

National research shows that older people are more likely to experience social isolation than other age groups. Over half (51%) of all people aged 75 and over live alone,ⁱ while 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.ⁱⁱ Two fifths of all older people say the television is their main company.ⁱⁱⁱ

The strategy includes a number of actions under Objective 5 which will have a positive impact on vulnerable people, including older people, and help them to respond to climate change risks. For example:

Action 5.5 - Providing advice for residents on how to reduce health risks during heat waves, including via the Council's website and the Cambridge Matters residents magazine. Promotion of advice will be linked to specific climate events (e.g.heat wave guidance to be published in spring ahead of possible heatwave events).

Action 5.8 - Working with members of the Cambridgeshire Resilience Forum to ensure that plans are in place to respond to climate change risks (including issuing alerts in the event of severe weather, increased temperatures and flooding) and that these are regularly tested and reviewed

¹ Joseph Rowntree Foundation, 2014, Climate Change and Social Justice: an Evidence Review

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

The Strategy highlights that recent research by the Joseph Rowntree Foundation^{iv} found that the extent to which individuals are able to cope with the impacts of climate change is influenced by the interaction between personal factors (e.g. health, age), social factors (e.g. income, neighbourhood cohesion, isolation), and environmental factors (e.g. building quality, green space).

People with disabilities and long-term health conditions may be more likely to be vulnerable to the impacts of climate change, such as heat waves and extreme weather events, due to a combination of health issues and lower average incomes. For example:

- Disabled people are four times more likely to be out of work than non-disabled people^v
- Since 2010 the pay gap between disabled and non-disabled people has widened by a third, and disabled people in work are currently paid 10% less on average than people without disabilities^{vi}

The strategy includes a number of actions under Objective 5 which will have a positive impact on vulnerable people, including people with disabilities, and help them to respond to climate change risks. For example:

Action 5.5 - Providing advice for residents on how to reduce health risks during heat waves, including via the Council's website and the Cambridge Matters residents magazine. Promotion of advice will be linked to specific climate events (e.g. heat wave guidance to be published in spring ahead of possible heatwave events).

Action 5.8 - Working with members of the Cambridgeshire Resilience Forum to ensure that plans are in place to respond to climate change risks (including issuing alerts in the event of severe weather, increased temperatures and flooding) and that these are regularly tested and reviewed

(c) Gender

No differential impacts have been identified for men or women for actions in the strategy

(d) Pregnancy and maternity

No differential impacts have been identified for pregnant women or parents with young children for actions in the strategy

(e) Transgender (including gender re-assignment)

No differential impacts have been identified for transgender people for actions in the strategy

(f) Marriage and Civil Partnership

No differential impacts have been identified according to marriage or civil partnership for actions in the strategy

(g) Race or Ethnicity

No differential impacts have been identified for people from different ethnic groups for the actions in the strategy

(h) Religion or Belief

No differential impacts have been identified for people of different faiths or beliefs for the actions in the strategy

(i) Sexual Orientation

No differential impacts have been identified according to sexual orientation for the actions in the strategy

(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):

Recent research by the Joseph Rowntree Foundation^{vii} found that poverty can increase the vulnerability of individuals and communities to climate impacts. The extent to which individuals are able to cope with the impacts of climate change is influenced by the interaction between personal factors (e.g. health, age), social factors (e.g. income, neighbourhood cohesion, isolation), and environmental factors (e.g. building quality).

The strategy includes a number of actions which will help support residents who are in poverty or on low incomes to reduce their carbon footprint and cope with the impacts of climate change. These include:

Action 2.1 - Supporting residents to improve the energy efficiency of their property through the Action on Energy scheme.

Action 2.2 - Progressively improving the energy efficiency of harder-to-treat City Council homes, with the aim of bringing them up to at least a C-rating.

Action 2.3 - Implementing the City Council's Fuel and Water Poverty Action Plan (linked to the Anti-Poverty Strategy), including: Piloting water meters in a selection of 1 or 2 bedroom council owned properties; developing a water conservation information leaflet for inclusion in welcome packs for tenants moving into council-owned properties and at City Homes offices; Drop in sessions to distribute water and energy saving measures and provide information on energy efficiency measures to residents; and targeted promotion to private landlords on the benefits of installing energy and water savings measures.

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

9. Conclusions and Next Steps

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

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

10. Sign off

Name and job title of assessment lead officer: David Kidston, Strategy and Partnerships Manager

Date of completion: 25 September 2015

Date of next review of the assessment: February 2016

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

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

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

^{iv} Joseph Rowntree Foundation, 2014, Climate Change and Social Justice: an Evidence Review

^v Joseph Rowntree Foundation, 2005, The education and employment of disabled young people
<http://www.jrf.org.uk/publications/education-and-employment-disabled-young-people>

^{vi} Scope, 2014, Disability Facts and Figures

^{vii} Joseph Rowntree Foundation, 2014, Climate Change and Social Justice: an Evidence Review

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

Report by: Deborah Simpson

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

TEMPORARY AGENCY WORKER PROVISION FROM NOVEMBER 2015

Key Decision

1. Executive Summary

- 1.1 Temporary agency workers are used to ensure service delivery, which includes covering sickness, managing peaks and troughs of services, for seasonal work, managing short term demands such as specific projects or whilst undertaking service reviews and covering the recruitment period for a vacant post.
- 1.2 Although the demand for temporary agency workers has reduced since the transfer of staff involved in the running of the Corn Exchange and Folk Festival, from Arts and Recreation to Cambridge Live in April 2015 and the transfer of building cleaning staff to Churchill in June 2015, it is anticipated that the Council will continue to need temporary agency cover on an ad hoc basis for the foreseeable future in order to ensure appropriate continuity in service delivery.
- 1.3 This report presents a recommended option for the future provision of temporary agency worker services with effect from November 2015.

2. Recommendations

- 2.1 The Executive Councillor is recommended to delegate authority to the Head of Human Resources, following agreement by the Director of Business Transformation, in consultation with the Executive Councillor, to procure a Managed Service Provider for the provision of temporary agency workers through the national Managed Services for Temporary

Agency Resources (MSTAR2) framework, with effect from 22 November 2015.

3. Background

- 3.1 Following a report to Strategy and Resources Scrutiny Committee in July 2011, the current contract with Comensura was procured through call-off from the ESPO (Eastern Shires Purchasing Organisation) national framework agreement for the provision of agency workers, Managed Services for Temporary Agency Resources (MSTAR). This arrangement has been in place since November 2011 and was set up for a period of 3 years with the option to extend for up to a further 1 year. The full contract term and option to extend have been taken and the current contract ends on 21 November 2015. The MSTAR contract delivered significant savings of approximately £100,000pa over the pre 2011 comparative contract spend.
- 3.2 In April 2015 a new framework agreement for the provision of agency workers was again set up by ESPO, called MSTAR2. The new MSTAR2 framework is a national framework for the provision of a managed service for the provision of temporary agency resourcing services to local authorities, central government, educational establishments, housing associations, wider public bodies such as NHS, Fire and Rescue Services, Police and Third Sector Groups throughout the UK. It offers competitive agency and service provider fees.
- 3.3 A project group has been set up to review the MSTAR2 framework and to make a recommendation for call-off. The project group includes representatives from HR (lead service), Legal, Procurement, Internal Audit and representatives from departments who have feedback and involved their departmental management teams. The trade unions have also been consulted.
- 3.4 Having considered the options under the MSTAR2 framework agreement it is recommended that we procure a managed service provider under this contract from November 2015, for 3 years with the possible option to extend for a further 2 years.
- 3.5 This option would deliver comparative savings over not having a contract under MSTAR, of approximately £150,000, based on 2014/15 spend. It should be noted that agency usage and spend is likely to reduce in 2015/16 following the transfers of services outlined above. This has been considered in making the recommendation. It should also be noted that much of the current spend on agency workers is from existing salary budgets, i.e where the agency worker is engaged

to provide cover for holiday, sickness, a vacant post, maternity, or for short term demand. The comparative saving figure is based on total spend, across the council, but it varies by service and individual roles. It will be difficult to quantify savings in any particular service due to variation in spend year on year and the use of salary budgets.

- 3.6 By using the MSTAR2 framework contract there is advantage of a smooth transition without the need for staff to spend time on the transition process.

4. Implications

(a) Financial

Cambridge City Council funds temporary agency workers through existing temporary worker/agency budgets and funding from vacant posts. Annual spend fluctuates with demand by services but on average is £1.8m per annum.

Processes are in place for ordering and approving timesheets. Spend is monitored by the Service Provision and Management Information Review Groups, comprising Head of Human Resources, the current Human Resources lead for the management of the contract, departmental representatives covering the interests of those using temporary agency workers, the trade unions and further scrutiny is maintained by heads of Service, Directors and Strategic Leadership Team.

Based on the confidential costing provided under the MSTAR2 contract the new MSTAR2 framework provides for comparative potential savings of £150,000, across a range of services and roles.

(b) Staffing

No staffing impacts have been identified for the implementation of the new arrangements other than officer time. The recommended option would minimise the impact on staff time as part of the implementation.

(c) Equality and Poverty Implications

An EQIA has been undertaken and no adverse equality impacts have been identified.

(d) Environmental

No environmental impacts have been identified.

(e) Procurement

A representative from the Procurement Team is part of the Project Group.

The recommendation is to call-off a managed service provider from the nationally procured MSTAR2 framework contract.

(f) Consultation and communication

A project group has been set up to review the MSTAR2 contract and to make a recommendation. The departmental representatives have consulted with their heads of service and Directors. The trade unions have also been consulted.

(g) Community Safety

CRB/DBS checks are undertaken where appropriate for temporary agency workers.

5. Background papers

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

Project Team Highlight Report
Project Control Document
MSTAR2: Managed Service for Temporary Agency Resources
Documentation
Existing contract monitoring data
Strategy & Resources Scrutiny Committee – Record of Executive Decision
July 2011.

6. Appendices

A separate EQIA has been prepared.

7. Inspection of papers

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

Author's Name: Deborah Simpson
Author's Phone Number: 01223 - 458101
Author's Email: deborah.simpson@cambridge.gov.uk

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:

Temporary Agency Worker Provision from November 2015

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

A current contract is in place to November 2015 for the provision of temporary agency workers. We are recommending that new arrangements be made from November 2015 under the national MSTAR2 framework contract.

The specification includes the requirement to provide monitoring data on ethnicity, age, gender, disability, religion/belief and sexual orientation. Monitoring data will continue to be available and will be analysed quarterly to assess any impact.

The neutral supply chain provider option is recommended to ensure use of large national and small local agencies.

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

Residents

Visitors

Staff

A specific client group or groups (please state):

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

- New
- Revised
- Existing

5. Responsible directorate and service

Directorate: Business Transformation

Service: Human Resources

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

- No
- Yes (please give details):

All services requiring temporary agency workers

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)

Management information is monitored.

CCC Safeguarding policy will be made available to agency workers.

Jobs requiring CRB/DBS checks are identified to ensure the agency has these in place for candidates being submitted.

The age profile of agency workers is predominantly up to 34. This is a younger profile than Cambridge City Council.

(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)

Management information is monitored but is limited to where a self- declaration has been made. The Cambridge City Council Disability profile of staff is 5.06%.

(c) Gender

Management information is monitored. The gender profile of agency workers is predominantly male, 69.9%. Cambridge City Council's workforce profile is 48% female, 52% male.

(d) Pregnancy and maternity

If an agency worker is pregnant the manager must undertake a risk assessment.

(e) Transgender (including gender re-assignment)

Monitoring data not available for agency workers.

(f) Marriage and Civil Partnership

Monitoring data not available for agency workers.

(g) Race or Ethnicity

Management information is monitored. The ethnicity profile of agency workers where this has been declared is approximately 29.9%. The percentage of Cambridge City Council's workforce declaring themselves as BAME is 7.44%. There is a higher incidence of 'prefer not to say' for agency workers 23% compared to 3.69% of staff.

(h) Religion or Belief

Monitoring data is currently not available for agency workers but will be provided under the new contract.

(i) Sexual Orientation

Monitoring data is currently not available for agency workers but will be provided under the new contract.

(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):

The pay rate to agency workers varies between £6.50/hr and £300/day. After 4 weeks the minimum of the living wage is payable (£7.85/hr) to agency workers.

Agency worker Regulations (AWR)

Those agency workers meeting AWR nationally agreed triggers after 12 weeks (dependent on circumstances) are entitled to receive the same pro rata holiday entitlement and where there is a comparable post at CCC, same rate of pay, we monitor it and action this..

Workers meeting performance review criteria undergo performance review. Where applicable they receive an increment..

Over 100 agencies are invited under the current contract to provide temporary workers and these include local providers which helps SME's and also low income candidates who are able to sign up locally with an agency.

The neutral vendor signs up agencies to our specifications and ensures appropriate pay arrangements are in place.

It is proposed to continue these arrangements under the new contract

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

9. Conclusions and Next Steps

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

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

Email suzanne.goff@cambridge.gov.uk

10. Sign off

Name and job title of assessment lead officer: Deborah Simpson (Head of HR)

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

Naomi Armstrong - Customer & Community (Revenues & Benefits)

Sharon Line – Business Transformation

Linda Lander – Business Transformation (Human Resources)

Paul Boucher – Environment – Director of Environment (Business Support)

Stephanie Fisher – Business Transformation (Audit)

Pamela Nadarajah - Project member Commercial Property & Contracts Solicitor (Legal)

Date of completion: 05.08.15

Date of next review of the assessment: November 2018

Action Plan

Equality Impact Assessment title: Temporary Agency Worker Provision from November 2015

Date of completion: 05.08.15

Equality Group	Age
Details of possible disadvantage or negative impact	The age profile of agency workers is younger than the workforce profile.
Action to be taken to address the disadvantage or negative impact	None
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Disability
Details of possible disadvantage or negative impact	Limited data is available for agency workers.
Action to be taken to address the disadvantage or negative impact	None
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Gender
Details of possible disadvantage or negative impact	The gender profile of agency workers is currently 35% female and 65% male compared to 48%female and 52% male for staff
Action to be taken to address the disadvantage or negative impact	None
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	Risk assessments are undertaken for pregnant agency workers.
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	None
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	None
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	The ethnicity profile of agency workers is higher than for the workforce.
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	Comparable data not available for agency workers
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	Comparable data not available for agency workers
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	The living wage is payable after 4 weeks and the AWR increase after 12 weeks.
Action to be taken to address the disadvantage or negative impact	Cambridge City Council to continue to monitor and ensure the Living Wage and Agency Worker Regulations (AWR) are paid at appropriate time
Officer responsible for progressing the action	
Date action to be completed by	

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

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

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

Wards affected: All Wards

TREASURY MANAGEMENT HALF YEARLY UPDATE REPORT 2015/16

Key Decision

1. Executive summary

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

2. Recommendations

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

3. Background

- 3.1 The Council is required to comply with the CIPFA Prudential Code (May 2013 edition) and the CIPFA Treasury Management Code of Practice (Revised November 2011). The Council is required to set prudential and treasury indicators, including an Authorised Limit for borrowing, for a three year period and should ensure that its capital plans are affordable, prudent and sustainable.
- 3.2 The Council is currently supported in its treasury management functions by specialist advisors who are Capita Asset Services. Capita's services include the provision of advice to the Council on developments and best practice in this area and provide information on the creditworthiness of potential counterparties, deposits, borrowing, interest rates and the economy.

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

- 4.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or;
 - If insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.
- 4.2 Details of capital expenditure forms one of the required prudential indicators. The table below shows the proposed capital expenditure and how it will be financed. It also includes any re-phasing during 2015/16 and is in line with the agreed Capital Plan.

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

5. The Council's Prudential and Treasury Management Indicators

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

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

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

- 5.2 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members.
- 5.3 The table below shows the Council's current outstanding debt and headroom (the amount of additional borrowing that is possible without breaching the Authorised Borrowing Limit):-

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

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

6. Borrowing

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

7. Investment Portfolio

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

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

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

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

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

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

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

The above table is represented graphically at Appendix C.

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

8 . Interest Rates

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

9. Implications

(a) Financial Implications

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

(b) Staffing Implications

None.

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

12. Background Papers

12.1 None were used in preparing this report.

13. Appendices

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

14. Inspection of Papers

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

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PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

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

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

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

Treasury Management Annual Investment Strategy

Current Counterparty List

The full listing of approved counterparties is shown below, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits.

Name	Council's Current Deposit Period	Category	Limit (£)
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
Members of a Banking Group (BoS Group includes Lloyds, RBS Group includes NWB)	Using Capita's Credit Criteria	UK Banks and UK Nationalised Banks	30m
Deutsche Bank	Using Capita's Credit Criteria	Non-UK Bank	5m

Name	Council's Current Deposit Period	Category	Limit (£)
Svenska Handelsbanken	Using Capita's Credit Criteria	Non-UK Bank	5m
Money Market Funds	Liquid Rolling Balance	Financial Instrument	15m (per fund)
Custodian of Funds	Requirement for Undertaking Financial Instruments	Fund Managers	Up to 15m (per single counterparty)
UK Government Treasury Bills	Up to 6 months	Financial Instrument	15m

Other Specified Investments - UK Building Societies:-

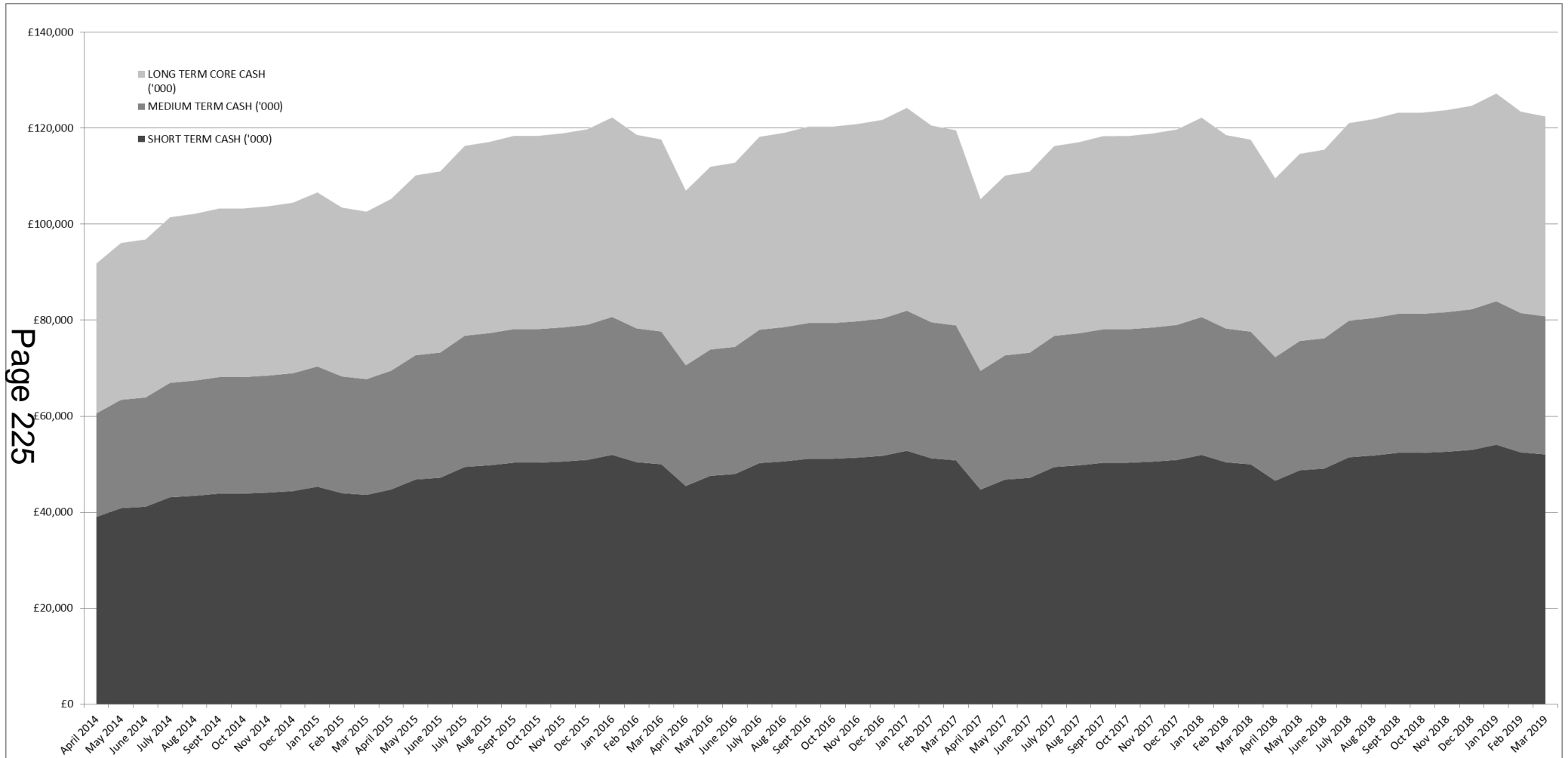
Name	Council's Current Deposit Period	Asset Value (£'m) – as at 23 rd April 2015	Limit (£)
Nationwide Building Society	1 month or in line with Capita's Credit Criteria, if longer	188,889	Assets greater than £100,000m - £20m
Yorkshire Building Society		41,779	
Coventry Building Society		30,890	Assets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

Non-Specified Investments:-

Name	Council's Current Deposit Period	Category	Limit (£)
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 30m (in total)
CCLA Local Authorities' Property Fund*	Minimum of 5 years	Pooled UK Property Fund	Up to 10m
Certificates of Deposit (with UK Banking Institutions)	Liquid Rolling Balance	Financial Instrument	15m (per single counterparty)
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000

Name	Council's Current Deposit Period	Category	Limit (£)
Supranational Bonds – AAA	Using Capita's Credit Criteria	Multi-lateral Development Bank Bond	15m
UK Government Gilts	Over 1 year & up to 30 Years	Financial Instrument	15m

Cash Balances Represented Graphically



Sources of the Council's Deposits.

Local authorities are free to deposit surplus funds not immediately required in order to meet the costs of providing its services. The Council deposits amounts set aside in its general reserves and earmarked reserves.

The interest earned on these deposits is credited to the General Fund and Housing Revenue Account respectively and helps to fund the cost of providing services. This currently amounts to around £1.2m each year based on current deposit and interest rate levels.

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

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

The HRA accounts for around 50% of reserves deposited.

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

Introduction

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

Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) kept the bank rate at 0.50% and Quantitative Easing (QE) at £375bn during 2015/16. Going-forward, the Council's treasury advisor, Capita, has provided the following interest rate forecasts issued on 11th August 2015:-

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

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

Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
Certificates of Deposit (CDs)	Low risk certificates issued by banks which offer a higher rate of return
CIPFA	Chartered Institute of Public Finance and Accountancy
Counter-parties	Financial Institutions with which funds may be placed
Credit Risk	Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do
DCLG	Department for Communities & Local Government
Eurocurrency	Currency deposited by national governments or corporations in banks outside of their home market
External Gross Debt	Long-term liabilities including Private Finance Initiatives and Finance Leases
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing account where a council acts as landlord
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
London Interbank Offered Rate (LIBOR)	A benchmark rate that some of the leading banks charge each other for short-term loans
London Interbank Bid Rate (LIBID)	The average interest rate which major London banks borrow Eurocurrency deposits from other banks
Liquidity	A measure of how readily available a deposit is
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed

Term	Definition
PWLB	Public Works Loans Board - an Executive Government Agency of HM Treasury from which local authorities & other prescribed bodies may borrow at favourable interest rates
Security	A measure of the creditworthiness of a counter-party
Specified Investments	Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multi-lateral Development Bank Bond
UK Government Gilts	Longer-term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury
Yield	Interest, or rate of return, on an investment

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To: Executive Councillor for Finance and Resources

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources 30 September 2015

Wards affected: All Wards

Mid-year Financial Review (MFR) October 2015

Key Decision

1. Executive Summary

- 1.1 This report presents and recommends the budget strategy for the 2016/17 budget cycle and specific implications, as outlined in the Mid-year Financial Review (MFR) October 2015 document, which is attached and to be agreed.
- 1.2 This report also recommends the approval of new capital items and changes to phasing and funding proposals of the Council's Capital Plan, the results of which are shown in the MFR.
- 1.3 At this stage in the 2016/17 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2015 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating budgets for 2016/17 to 2020/21. All references in the recommendations to Appendices, pages and sections relate to the MFR Version 1.
- 1.4 The recommended budget strategy is based on the outcome of the review undertaken together with financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MFR.

2. Recommendations

The Executive Councillor is asked to recommend to Council:

General Fund Revenue

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

Capital

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

Ref.	Description	2015/16 £000	2016/17 £000	Total £000
SC605	Replacement Building Access Control System	50	50	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	200
	Total Proposals	65	235	300

Reserves

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

3. Background

Mid-year Financial Review

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

4. Implications

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

5. Background Papers

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

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

6. Appendices

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

7. Inspection of papers

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

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Version 1
Strategy &
Resources

General Fund Mid-year Financial Review

October
2015

2015/16 to 2020/21

Cambridge City Council



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

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

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

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

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

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

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

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

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

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

Cllr Lewis Herbert - Leader of the Council

Cllr George Owers – Executive Councillor for Finance and Resources

Section 1

Introduction to the Mid-year Financial Review (MFR)

Background

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

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

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

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

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

Budget consultation

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

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

Timetable

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

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

Section 2

Policy context, priorities and external factors

Local policy context and priorities

Annual Statement

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

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

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

Partnership working

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

City Deal

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

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

Shared services

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

National policy context

Government spending announcements

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

18 March Budget

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

8 July Summer Budget

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

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

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

Local Government finance

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

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

2016/17 and future years

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

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

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

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

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

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

New Homes Bonus

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

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

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

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

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

External factors

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

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

Inflation rates

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

Interest rates on deposits

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

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

Interest rates on borrowing

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

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

Section 3

Review of key assumptions

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

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

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

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

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

Section 4

Mid-year budget issues

2014/15 Outturn

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

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

2015/16 budgets

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

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

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

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

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

Section 5

General Fund – Expenditure & Funding

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

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

Section 6

Capital plan

Approved plan

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

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

Changes approved and adjustments made in year:							
Programmes	1,548	0	0	0	0	0	1,548
Projects	1,308	161	0	0	0	0	1,469
Sub-total	2,856	161	0	0	0	0	3,017
Provisions	9,430	322	(417)	120	56	487	9,998
Total	12,286	483	(417)	120	56	487	13,015

Current approved plan:							
Programmes	11,855	533	520	700	0	0	13,608
Projects	2,469	197	31	36	0	0	2,733
Sub-total	14,324	730	551	736	0	0	16,341
Provisions	19,471	794	572	220	56	487	21,600
Total	33,795	1,524	1,123	956	56	487	37,941

Changes to capital project approval processes

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

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

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

Mid-year capital spending proposals

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

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
-	5% top-slice of 'BSR 2015 funding available' for feasibility budget (revenue)	36	66	82	82	94	94	454
	Approved since BSR Feb 2015							
SC601	Replacement Telecommunications & Local Area Network	400	0	0	0	0	0	400
SC602	Buchan Street Community Centre - new roof replacement	60	0	0	0	0	0	60
SC603	Ross Street Community Centre - new boiler system	36	0	0	0	0	0	36
SC604	Replacement Financial Management System	81	161	0	0	0	0	242
Misc	Section 106 misc	272	0	0	0	0	0	272
	Total Approved since BSR Feb 2015	849	161	0	0	0	0	1,010
	Amendments since BSR Feb 2015							
	Costs (and funding) revised							
PV192	Development Land North side Kings Hedges Rd	(174)	(10)	47	0	0	0	(137)
PV554	Development of Land at Clay Farm	(578)	(58)	(789)	120	56	487	(762)
	Transferred from Plan to PUD							
PR030e	Cavendish Road (public art element)	(30)	0	0	0	0	0	(30)
PR030g	East Barnwell Comm Centre improv, Phase 1 S106	(255)	0	0	0	0	0	(255)
PR031g	Milton Rd Lib Comm Meeting Space S106	(100)	0	0	0	0	0	(100)
	Total Adjustments since BSR Feb 2015	(1,137)	(68)	(742)	120	56	487	(1,284)

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
	Proposals							
SC605	Replacement Building Access Control System	50	50	0	0	0	0	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	0	0	0	0	200
	Total Proposals	65	235	0	0	0	0	300
	Total Approved and Proposed	(187)	394	(660)	202	150	581	480

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

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

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

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Funding available and unapplied per BSR Feb 2015	(712)	(1,312)	(1,630)	(1,630)	(1,880)	(1,880)
Funding S106	(272)	0	0	0	0	0
Capital Feasibility Fund	36	66	82	82	94	94
Approved since BSR Feb 2015 - S106	272	0	0	0	0	0
Approved since BSR Feb 2015 - Other	577	161	0	0	0	0
Proposed new schemes	65	235	0	0	0	0
Revised capital funding availability	(34)	(850)	(1,548)	(1,548)	(1,786)	(1,786)

Revised plan

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

MFR Proposals	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Current approved plan – as above:							
Total	33,795	1,524	1,123	956	56	487	37,941

Changes proposed:							
Programmes	15	185	0	0	0	0	200
Projects	50	50	0	0	0	0	100
Sub-total	65	235	0	0	0	0	300
Provisions	0	0	0	0	0	0	0
Total	65	235	0	0	0	0	300

Proposed plan:							
Programmes	11,870	718	520	700	0	0	13,808
Projects	2,519	247	31	36	0	0	2,833
Sub-total	14,389	965	551	736	0	0	16,641
Provisions	19,471	794	572	220	56	487	21,600
Total	33,860	1,759	1,123	956	56	487	38,241

Section 7

Risks and reserves

Risks

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

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

Reserves

General Fund reserve

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

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

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

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

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

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

Earmarked and specific funds

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

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

Section 8

Conclusion

General Fund savings requirements

The February 2015 BSR identified the need to find £223k of ongoing net savings in the GF in 2016/17. This amount is after the application of £602k 2015/16 savings identified in excess of that year's requirement and a further £784k of new savings in 2016/17 already identified in BSR 2015. Current financial projections, taking account of revised assumptions and incorporating all changes proposed as part of this GF MFR, show that work remains to be done to balance the budgets for 2016/17 and beyond, with additional net savings of £3.7m to be found in the next five years.

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

General Fund budget strategy

The budget process

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

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

The GF MFR has highlighted:

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

Identification of further savings

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

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

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

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

In overview, this MFR shows that:

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

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

Appendix A

Financial planning timetable

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

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

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

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

Appendix B(a)

Capital Plan 2015/16 to 2020/21

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

Appendix B(a)

Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	S Cleary	499	15	20	15	0	0
SC591	Crematorium Data Link	T Lawrence	8	0	0	0	0	0
SC596	Replacement Air Cooling Systems	W Barfield	167	0	0	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donnell	200	0	0	0	0	0
SC598	Supply and install generator at the Crematorium	T Lawrence	50	0	0	0	0	0
SC599	Buchan St Shopping Area Improvements	A Wilson	28	0	0	0	0	0
SC600	Far East Prisoners of War Commemorative Plaque	A Wilson	15	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	T Allen	400	0	0	0	0	0
SC602	Buchan Street Community Centre - new roof replacement	I Ross	60	0	0	0	0	0
SC603	Ross Street Community Centre - new boiler system	I Ross	36	0	0	0	0	0
SC604	Replacement Financial Management System	C Ryba	81	161	0	0	0	0
SC605	Replacement Building Access Control System	C Arnold	50	50	0	0	0	0
Capital-GF Projects			2,519	247	31	36	0	0
Capital-Programmes								
PR010a	Environmental Improvements Programme - North Area	A Wilson	132	50	50	50	0	0
PR010b	Environmental Improvements Programme - South Area	A Wilson	143	36	36	36	0	0
PR010c	Environmental Improvements Programme - West/Central Area	A Wilson	136	36	36	36	0	0
PR010d	Environmental Improvements Programme - East Area	A Wilson	144	48	48	48	0	0
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Wilson	31	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	1,027	0	0	0	0	0
PR020	ICT Infrastructure Programme	J Nightingale	170	0	0	0	0	0
PR023	Admin Buildings Asset Replacement Programme	W Barfield	71	0	0	0	0	0
PR024	Commercial Properties Asset Replacement Programme	W Barfield	27	0	0	0	0	0
PR027	Replacement of Parks & Open Space Waste/Litter Bins	D Blair	116	0	0	0	0	0
PR028	Litter Bin Replacement Programme	D Blair	132	0	0	0	0	0
PR030a	Increase Biodiversity at Stourbridge Common (S106)	G Belcher	0	0	0	0	0	0
PR030d	St Thomas Square Play Area Improvements (S106)	A Wilson	50	0	0	0	0	0
PR030e	Cavendish Rd (Mill Rd end) improvements: seating & paving (S106)	A Wilson	8	0	0	0	0	0
PR030f	Bath House Play Area Improvements (S106)	A Wilson	49	0	0	0	0	0
PR030h	Romsey 'town square' public realm improvements (S106)	A Wilson	58	0	0	0	0	0

Appendix B(a)

Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
PR030i	Ross St Community Centre Improvements (\$106)	S Roden	0	0	0	0	0	0
PR030k	C3: grant for kitchen facilities & portable stage lift (\$106)	J Hanson	53	0	0	0	0	0
PR031b	BMX track next to Brown's Field Community Centre (\$106)	A Wilson	29	0	0	0	0	0
PR031d	Chestnut Grove play area improvements (\$106)	A Wilson	50	0	0	0	0	0
PR031f	Buchan St Neighbourhood Centre Improvements (\$106)	S Roden	0	0	0	0	0	0
PR031i	Perse Way Flats Play Area (\$106)	A Wilson	25	0	0	0	0	0
PR031k	St Luke's Church: grant for refurbishment of community facilities (\$106)	J Hanson	30	0	0	0	0	0
PR032c	Cherry Hinton Recreation Ground Improvements (\$106)	A Wilson	0	0	0	0	0	0
PR032e	Accordia Trim Trail & Jnr Scooter Park (\$106)	A Wilson	50	0	0	0	0	0
PR032f	Cherry Hinton Baptist Church Family Centre (\$106)	B Keady	111	0	0	0	0	0
PR032g	Cherry Hinton Rec Ground pavilion refurb. (\$106)	I Ross	99	0	0	0	0	0
PR032h	Trumpington Bowls Club Pavilion Ext. (\$106)	I Ross	70	0	0	0	0	0
PR033a	Benches in Parks & Open Spaces (\$106)	A Wilson	0	0	0	0	0	0
PR033c	Public Art element of improvements to the entrances at Histon Rd Rec (\$106)	A Wilson	13	0	0	0	0	0
PR033f	Histon Rd Rec Ground Improvements (\$106)	A Wilson	55	0	0	0	0	0
PR033i	St Mark's Church Hall - Kitchen / Lobby Extension (\$106)	B Keady	0	0	0	0	0	0
PR033j	St Augustine's Church: grant for church hall side extension (\$106)	J Hanson	87	0	0	0	0	0
PR034a	Logan's Meadow Local Nature Reserve (LNR) Extension (\$106)	G Belcher	0	0	0	0	0	0
PR034b	Paradise Local Nature Reserve (LNR) (\$106)	G Belcher	0	0	0	0	0	0
PR034c	Drainage of Jesus Green (\$106)	A Wilson	6	0	0	0	0	0
PR034d	Public Art - 150th & 400th Anniversary (\$106)	A Wilson	98	0	0	0	0	0
PR034g	Grant for extension to St Andrew's Hall to provide a dedicated space for a community cafe (\$106)	B Keady	0	0	0	0	0	0
PR034i	Parkside Pool Starting Blocks (\$106)	I Ross	0	0	0	0	0	0
PR034p	Cambridge 99 Rowing Club: grant for kitchen facilities (\$106)	I Ross	5	0	0	0	0	0
PR034q	Cambridge Canoe Club: additional boat and equipment store (\$106)	I Ross	10	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (\$106)	K Laws	122	125	112	100	0	0
PR036	Additional investment in Commercial Property Portfolio	D Prinsep	8,515	0	0	0	0	0
PR037	Local Centres Improvement Programme	A Wilson	44	0	0	0	0	0
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	G Richardson	15	185	0	0	0	0

Appendix B(a)

Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
PR038	Drainage and resurfacing works at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery	T Lawrence	20	208	208	400	0	0
PR039	Minor Highway Improvement Programme	A Wilson	30	30	30	30	0	0
PR040	S106 Public Art Projects	A Wilson	0	0	0	0	0	0
PR040a	Big Draw event 2015, Chesterton (public art grant) (S106)	A Wilson	1	0	0	0	0	0
PR040b	Rock Road library community garden (public art grant) (S106)	A Wilson	7	0	0	0	0	0
PR040c	Creating my Cambridge: clicking to connectivity (public art grant)	A Wilson	15	0	0	0	0	0
PR040d	Twilight at the Museums 2016: animated light projection (public art grant) (S106)	A Wilson	14	0	0	0	0	0
PR040e	Cambridge Sculpture Trails leaflet (public art grant) (S106)	A Wilson	3	0	0	0	0	0
Capital-Programmes			11,870	718	520	700	0	0
Capital-GF Provisions								
PV007	Cycleways	A Wilson	275	100	100	100	0	0
PV016	Public Conveniences	A Wilson	41	0	0	0	0	0
PV018	Bus Shelters	A Wilson	127	0	0	0	0	0
PV033B	Street Lighting	A Wilson	82	0	0	0	0	0
PV163	Compulsory Purchase Orders (CPOs)	R Ray	0	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	10	10	47	0	0	0
PV221b	Lion Yard - Contribution to Works Phase 2	P Doggett	40	40	300	0	0	0
PV386	HMOs - Management Orders	R Ray	0	0	0	0	0	0
PV526	Clay Farm Community Centre - Phase 1 (S106)	A Carter	0	0	0	0	0	0
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	88	0	0	0	0	0
PV532	Cambridge City 20mph Zones Project	A Wilson	316	0	0	0	0	0
PV549	City Centre Cycle Parking	A Wilson	190	0	0	0	0	0
PV554	Development Of land at Clay Farm	A Carter	1,159	269	100	120	56	487
PV564	Clay Farm Community Centre -Phase 2 (Construction)	A Carter	9,810	0	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	D Prinsep	100	375	25	0	0	0
PV594	Green Deal	J Dicks	5,404	0	0	0	0	0
PV595	Green Deal - Private Rental Sector	J Dicks	1,829	0	0	0	0	0
Capital-GF Provisions			19,471	794	572	220	56	487
Total GF Capital Plan			33,860	1,759	1,123	956	56	487

Appendix B(b)

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

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

Total GF Under Development	0	3,317	449	389	1,695	0
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Appendix B (c)

Capital Plan Funding 2015/16 to 2020/21

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

Appendix B (d)

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

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

Appendix C

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

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

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

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

General risks **2,175,000**

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

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

Operational cost risk profiles

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

Appendix D

Earmarked and Specific Funds

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



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

Report by: Head of Communities, Arts & Recreation

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

Wards affected: ALL

SUPPORT FOR INCLUSIVE BANKING AND LOAN SERVICES

Not a Key Decision

1. Executive summary

The Council's Anti-Poverty Strategy highlights the role played by credit unions in helping people on low incomes manage their finances and supporting them if they find themselves in financial crisis. The Council has committed to *'further support and promote the services offered by Credit Unions in Cambridge'*. The report outlines the proposed approach to achieve this.

2. Recommendations

The Executive Councillor is recommended to agree the two-stage approach outlined in sections 3.9a and 3.9b of the report.

b) Request the Committee notes that in accordance with the process for allocating funding from the Sharing Prosperity Fund¹, the Executive Councillor has approved the allocation of a total of £50,000 from the Sharing Prosperity Fund to meet the costs outlined in the table at 4a). For the capital elements of the project (also funded through the SPF) a full business case will be developed and presented to the Capital Programme Board for approval for delivery. If the business case is approved by CPB, the project will be included on the Capital Plan.

3. Background

3.1 The Council's Anti-Poverty Strategy² (APS) highlights the need for inclusive banking and loan services such as those offered by credit unions. *'Due to a combination of high living costs and low incomes, some residents in Cambridge have very limited disposable income or savings. They are more likely to find themselves in crisis situations, because they do not have the financial reserves needed to weather unforeseen events. They are also*

¹ Agreed in the Budget Setting report at Council on 26 February 2015

² <https://www.cambridge.gov.uk/sites/default/files/documents/anti-poverty-strategy-2014-2017.pdf>

less likely to have access to affordable financial services, and are therefore more vulnerable to loan sharks and other sources of high interest credit.

Credit unions can support residents when they find themselves in financial crisis, but can also help residents on low incomes to manage their finances in the longer term. Credit unions currently provide a range of services which benefit low income residents in the city:

- *Loans for small amounts which banks often do not provide. These can help cover issues like broken washing machines or repairs to motor vehicles which are required to travel to work, or necessities such as school uniforms. This provides an alternative to taking loans from loan-sharks or payday lenders at very high interest rates.*
- *Savings accounts, which enable residents to save sufficient funds to meet emergencies or pay for more costly items in the future.*
- *'Jamjar' accounts which help residents to set aside sums to meet regular outgoings such as utility bills.*
- *Debit cards and transactional accounts for customers who may be less likely to receive them from banks.*

The Council has previously provided credit unions with operating space in the Customer Service Centre, promotion in Cambridge Matters and Open Door magazines, and emergency loan grants. The Council will further support and promote the services offered by credit unions in Cambridge as part of this Strategy'. A 'Sharing Prosperity Fund' (SPF) has been established by the Council to resource projects that will deliver the strategy.

3.2 Currently two credit unions operate in Cambridge, Eastern Savings and Loans (ESL) and Rainbow Savers (RS). ESL recently merged with Cambridge Credit Union and is planning to merge with RS in 2016. Between them they have approximately 300 members in the City.

ESL currently operates from:

- City Homes North - Tuesdays from 9.30am – 10.30am
- Customer Service Centre (CSC) – Wednesdays 11am-1pm
- Gwydir Street – Thursdays 11.30am – 12.30pm

RS currently operates from:

- Impington – Fridays 11am – 1pm
- CSC – Mondays and Thursdays 11am – 1pm
- Cherry Hinton – Temporarily closed due to refurbishment

These sites are referred to as Access Points and are staffed by volunteers. Loan applications are referred to a specialist Loan Officer based at the Credit Union (CU) headquarters. Members have access to debit cards, paying in points, savings, advice, online banking and loans.

3.3 There are a number of issues for the credit unions at present, particularly around capacity, ICT and visibility.

3.4 There was an early suggestion to expand credit union activity at the CSC via the creation of a shop in the part of the site currently used for online access. This could aim to mirror the type of arrangement that is operated successfully by RS in Peterborough. The Peterborough shop operates in partnership with Peterborough Citizens' Advice Bureau, Foodbank and various housing providers; however is not comparable to Mandela House in respect of location and members. As well as a central unit, there are also two outreach locations.

3.5 If the CSC was the only location for credit union in Cambridge it may not be very accessible for residents who do not routinely come into the city centre. Also use of the CSC could be time-limited due to uncertainty relating to the Council's accommodation strategy. Therefore, while there would be value in expanding financial inclusion activity at CSC, this should be considered alongside expansion of neighbour access points. A central-plus-neighbourhood approach will improve community access and allow people who live nearby to engage with CUs closer to their home, as well as allow CUs to engage with a variety of different people. In consultation with the local CUs, officers have explored sites that would increase visibility and presence of CUs across the in the City. These include sites in Abbey, Arbury, Cherry Hinton, Chesterton, Romsey and Trumpington.

3.6 There is a need to increase access and visibility of CUs in the immediate short-term, mainly in response to the Government's Welfare Reform agenda, and the introduction of Universal Credit (UC). UC is being introduced in stages and will start for single job seekers in Cambridge from 29 February 2016. In the future, instead of applying for Jobseeker's Allowance and Housing Benefit (or one of the other benefits listed below), one single claim for UC will be made and this will include any payment towards housing costs. Gradually this will extend to claims from working age couples and those with families. Eventually UC will replace six current benefits: Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit.

Unlike current payment arrangements for housing benefit, UC will be paid calendar monthly in arrears. One significant change is that it will be the claimant's responsibility to pay their landlord. It could take several weeks after a claim is made for a payment to be received, meaning there is the possibility that an individual may have little or no income for a significant period of time from when their claim for UC is made. Increased access to CU products and services now could help ensure claimants are in a better financial position when UC impacts their household. Creating a savings relationship now can ensure access to affordable loans in the longer-term.

This could result in less reliance on high interest/payday lenders or loan sharks, preventing rent arrears and ultimately loss of home.

3.7 The Council wishes to explore a longer term arrangement or partnership in respect of financial inclusion activity. One of the factors in determining options available to the Council in the longer and term is the issue of state aid³. State aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU). The definition of state aid is very broad because 'an advantage' can take many forms.

It is an issue for this project as it means the Council cannot simply offer an organisation financial support both in cash and in kind if the organisation receives more than 200,000 euros of public funding support over three years. Although this is still being quantified, there is a risk that alongside any existing public funding, the use of facilities and support for core funding or development initiatives, the threshold could be breached. Legal Services advise that care is taken to examine exactly what support is necessary and how services required are commissioned. It is recommended that more specific legal advice is taken. It is quite possible the Council may be required to start a procurement (i.e. a tendering process) to seek a longer term partner to deliver inclusive banking and loans services. This may take six to nine months and so is not a short term solution.

3.8 Therefore, a two-phased approach is proposed which addresses short term need and the Council's longer term requirements

3.9 a) Phase 1:

- Immediate and significant expansion of access points across the city. Establish five new sites at East Barnwell, Brown's Field, The Meadows, City Homes South, Trumpington, Ross Street and possibly others. The approach will include:
 - A campaign with the CUs to recruit and train new volunteers
 - Intensive promotion by the Council about credit union services and other financial inclusion activity. This will be both universal and targeted and include public transport, community centres, social housing providers, GP surgeries and community groups, using social media as well as traditional forms. It will aim to raise awareness of the value of CUs to people on low incomes who may need loans as well as to the wider community.
 - Closer working between ESL and RS, including use by RS of ESL products where appropriate

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443686/BIS-15-417-state-aid-the-basics-guide.pdf

- Targeting a total of 10 access points and 125 new CU account sign ups between October and March 2016 – a 100% increase in access points and sign ups.
- The development of a low capital cost financial inclusion hub (IH) in CSC which could involve a range of services. This would aim to provide improved access to affordable, relevant financial and advisory services. The area will be flexible, functional and could be used as a base by CUs in the longer term. Officers anticipate the hub could include a range of functions, including:
 - Use of computer points to ensure service users have digital access. This is important as UC must be applied for online.
 - Awareness of energy saving initiatives as well as prevention of fuel poverty - which can be promoted via Home Energy officers.
 - Offering a separate space for people to discuss their financial circumstances in private.
 - Space for support services and local food agencies who can offer vouchers and advice about budgets and food.
 - The area can also be utilised for small workshops for both service users and staff, encompassing debt advice, budgeting, money saving tips and awareness of local support services.

This approach ensures that an IH is welcoming for everyone, convenient, responsive to needs, and flexible in design and approach. Activities utilising this space would be publicised through social media (@caminclusionhub) and advertising through Open Door, Cambridge Matters and a weekly timetable advertised in the Welcome area of CSC. The opening of the new IH area would also be publicised in the local press.

The CSC would be adapted to utilise existing space in a pragmatic way to offer flexible but bespoke use for the IH. The Heads of Estates and Facilities and Customer Services have been asked to develop proposals for minor adaptations offering a welcoming, modern area, with appropriate furnishing, clear signage and reception counter, private space, IT access and a back office. This could be adapted for use by a contracted partner if this approach is developed through phase 2.

3.9 b) Phase 2

Subject to advice, this could involve further development of financial inclusion services and the CSC hub/base into a possible 'shop front' via partnership with a selected organisation. The Council is taking legal advice about State Aid in order to inform the approach and it may be necessary to undertake a procurement exercise to source an appropriate partner.

3.10 Other updates

- Junior Savers: This scheme which provides financial literacy advice and savings accounts for young people is in the early stages of development with two City schools. The accounts will be kick-started with a small sum which must be matched funded and ring fenced for one year. It will be seen partly as an opportunity to save for trips and school activities.

4. Implications

(a) Financial Implications

Activity (Note: these are indicative amounts and funds may be vired across activity)	Cost £	Funding source
Recruitment & development of volunteers	2,000	SPF
Publicity	15,000	SPF
Membership fees for volunteers and new members	2,000	SPF
Development support to CUs	7,000	SPF
Adaptions to the CSC	20,000	SPF
Legal advice	4,000	SPF
Total	50,000	SPF

The Executive Councillor for Resources has delegated authority to award funding bids of between £15,000-75,000 from the Sharing Prosperity Fund. The authority can be used following advice from the APS Project Board. The Board met on 18th September 2015 and recommended the project and the funding bid has now been agreed by the Executive Councillor.

The Executive Councillor has a similar delegated authority for capital bids to the SPF. The Executive Councillor has approved capital funding for the project and a business case will now be made to the Capital Programme Board so that subject to approval it can go on the Capital Plan to be delivered.

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

There are no implications identified at this stage.

(c) Equality and Poverty Implications

An Equalities Impact Assessment (EQIA) has been carried out on phase 1 of the plan and the findings are as follows:

A positive impact is expected for the following categories/groups: Age; Disability; Gender; Pregnancy and Maternity; Race and Ethnicity; Religion and Belief; Sexual Orientation. The action plan includes the following points

- Promotional materials need to be available in relevant formats
- Hearing loops need to be provided

- Staff and volunteers must receive suitable training and treat all customers with dignity and respect

A copy of the EQIA is attached as an appendix (to follow).

(d) Environmental Implications

There are no implications identified at this stage

(e) Procurement

The issue of state aid and procurement has been covered in the report in section 3.

(f) Consultation and communication

Consultation was undertaken as part of the Council's Anti-Poverty Strategy. There has been ongoing dialogue with Rainbow Savers and Eastern Credit Unions, also other community and voluntary organisations. A project team made up of officers from across the Council has informed different strands of this work. A detailed plan for communication will be drawn up with the advice of the corporate marketing team and informed by the EQIA.

(g) Community Safety

There are no implications identified at this stage

5. Background papers

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

- Anti-Poverty Strategy 2014-17

6. Appendices

- EQIA (to follow)

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: Executive Councillor for Finance and Resources
 Report by: Head of Human Resources
 Relevant scrutiny committee: Strategy and Resources Scrutiny Committee 12th October 15
 Wards affected: All

Report Title : **Staff Vacancies**
 Key Decision: **No**

1. Executive summary

This report sets out to analyse the underlying trends behind staff vacancies and staffing expenditure for 2014/15.

2. Recommendations

The Strategy and Resources Scrutiny Committee and Executive Councillor for Finance & Resources is recommended to note:

- 2.1 The Councils staffing underspend information and trend analysis.
- 2.2 Note that the Senior Leadership Team will review the current list of temporary workers and vacancy list to determine whether to permanently recruit to these posts or to offer savings in time for the 2016/17 budget process.
- 2.3 That services will be asked to review their agency worker budget for 2016/17.
- 2.4 Finance to review the wording used in S&R reports when referring to staffing underspends.

3. Background

Analysis of the Councils staffing expenditure.

3.1 staffing Budget

There are two main elements to staffing costs:

- Direct employment costs – permanent members of staff, planned resourcing for service delivery.
- Temporary and agency workers – used for; covering sickness, managing seasonal work, managing short term demands such as specific projects

For General Fund and HRA the underspend on direct employment costs was £2.1m. Total temporary worker costs were overspent by £1m. The total staffing budget for 2014/15 was £36.1m and the actual expenditure was £35.1m giving the Council an underspend of £1m (2.9%) of the staffing budget. The staffing budget includes General Fund, HRA and temporary worker costs and the table below breaks the budget down into these areas:

Budget Fund		Budget	Actual	Variance
General Fund	Employment costs*	£28,626,670	£26,939,215	-£1,687,455
	Temporary worker costs	£847,420	£1,789,932	£942,512
Staffing Cost				-£744,943
HRA	Employment costs	£6,628,640	£6,204,508	-£424,132
	Temporary worker costs	£48,470	£160,602	£112,132
Staffing Cost				-£312,000
Total		£36,151,200	£35,094,257	-£1,056,943

The General Fund direct employment costs were underspent by £1,687,455. However there was expenditure of £1,789,932 on the General Fund temporary workers in the same period on a base budget of £847,420. This means that the total General Fund staffing (direct employment & temporary workers) underspend for 2014/15 was £744,943

*Employment costs include salary, National Insurance and pension costs.

This is a similar pattern to the HRA Fund. The direct employment cost underspend was £424,132 however, the HRA expenditure for temporary worker for the same period was £160,602 on a base budget of £48,470. This means that the HRA direct employment underspend was £312,000 for 2014/15.

3.2 Staffing budget in detail

3.2.1 Departments – General Fund and HRA

The table below shows the recruitment expenditure for Departments which includes General and HRA Fund:

	Employment Costs			Temporary Worker Costs			Emp/Temp – Net
	Employ Budget	Sum of Total Actual	Sum of Total Variance	Temp Budget	Sum of Total Actual	Sum of Total Variance	
Environment	14,441,650	13,495,819	-945,831	442,690	949,194	506,504	-439,327
Customer & Community Services	14,185,350	13,539,206	-646,144	516,060	722,898	206,838	-439,305
Business Transformation	5,485,140	4,994,530	-490,610	14,540	273,673	259,133	-231,477
Chief Executives Office	1,143,170	1,114,167	-29,003	1,830	4,770	2,940	-26,063
*Centralised savings reallocated				(79,230)			79,230
Totals	35,255,310	33,143,722	-2,111,588	895,890	1,950,535	975,415	-1,056,943



*The contract anticipated savings of £100,000 and these are spread across services. This is centrally reallocated.

- Environment (366 staff) and Customer & Community Services (418 staff) have more staff than any other department.
- Environment has the largest spend on agency workers £949,194.

3.2.2 Services – (General Fund Only)

Some services are using more temps to cover sickness, managing seasonal work, managing short term demands such as specific projects. At present the Council employs 61 temporary workers which is 6% of the workforce. The table below shows examples of services that have high direct employment underspend and high expenditure of temporary workers:

Service	Emp Costs			Temp Costs			Emp & Temp - Net
	Emp Budget	Sum Of Total Actual	Sum Of Total Variance	Temp Budget	Sum Of Total Actual	Sum Of Total Variance	
Streets and Open Spaces	4,602,410	4,156,995	(445,415)	171,430	520,341	348,911	(96,504)
Planning	2,113,560	1,977,365	(136,195)	50,000	114,456	64,456	(71,739)
Customer Service	1,453,780	1,320,764	(133,016)	5,730	104,481	98,751	(34,266)
Revenue Services	1,650,460	1,547,994	(102,466)	14,650	115,577	100,927	(1,539)
Legal Services	772,800	679,170	(93,630)	8,810	65,792	56,982	(36,648)

Streets & Open Spaces – Street Cleansing restructure and the failed recruitment to the Dog Warden post contributed towards the service’s use of temporary workers and overall underspend.

Planning – The Council has difficulty in recruiting planners and building surveyors because there is a skills gap in this area in Cambridge.

Customer Service Centre – Long term sickness issues have contributed towards direct employment underspend and expenditure on temporary workers.

Revenue Services – This is the only service that almost matched the employment expenditure with temporary worker costs.

Legal Services – Underspend on staffing costs owing to a vacant post and part time cover for a full time post.

3.2.4 Pattern/trend and recruitment process

All recruitment to posts continue to be made with the existing salary for the post. The majority of posts are being recruited to first time (81%). 92% of all posts are filled by the second round of recruitment. 3% of posts go beyond second round of recruitment and we continue to monitor fill rates and any issues with particular posts.

The recruitment advertising process was changed in September 2012, and there has been an increase in the proportion of external appointments and the number of applications received. The figure has been 80% to 20% external to internal appointments for the past two years.

Between April 2014 and March 2015 we advertised 167 roles. 136 of the 167 roles were filled during first round of recruitment (81% filled first time). 31 posts required re-advertising (19%). The average time taken to fill a role from advert to offer was 36.7 days. The table below provides more information:

Category	Number of roles
No. of posts advertised	167
No of posts filled first time	136 (81%)
No. of posts re-advertised	31 (19%)
Filled via 2nd round	18
Filled via 3rd round	3
Filled via 4th round	1 (advertising in progress)
Filled via 5th round	1 (advertising in progress)
Failed to recruit/ Role withdrawn from recruitment process	8
Average time taken from advert to offer	36.7 days

4. Vacant posts

Currently the Council has 198 vacant posts. 51 posts out of the 198 are actively being recruited to and 67 posts are not currently being recruited to. 80 Vacancies have been/or will be deleted of which 53 of these posts have been deleted through restructuring.

There are a number of reasons why the Council has a high number of vacancies at this time:

- **Internal service reviews** - where there has been an internal service reviews for example, support services review and ICT there has been a freeze on the recruitment to vacant posts for approximately three/four months which will contribute to a staffing underspend and potential savings. Savings from the vacancy list during 2014/15 and continuing into 2015/16 is being absorbed by service reviews and shared services.
- **Shared Services** – some services/teams have vacant posts which they are not actively recruiting to because of future shared services and forthcoming service reviews.
- **No review of vacancies** - there are a number of posts that have not been recruited to in 2014/15 that remain on the vacancy list but have been retained.
- **Hard to fill posts** – we know from external research (Local Government Association) that there is a lack of Planners and Building Surveyors in the East of England and this fits with what the Councils planning team have been experiencing. The Council also finds it more difficult to fill HR, legal and Accountancy posts in the Cambridge area. These vacancies are currently covered by agency workers and are kept under review by the service.

5.0 Summary

- We fund a significant proportion of temporary workers from salary budgets. However the salary and temporary worker budgets are not adjusted to reflect mid-year budget review.
- When reviewing staffing costs we need to consider direct employment and temporary workers, not just the variance in the employment costs when reporting to Strategy & Resources Scrutiny committee as this will aid a better understand of staffing costs.
- Savings from the vacancy list during 2014/15 and continuing into 2015/16 are being realised from ongoing service reviews and shared services activity.
- A corporate review of the vacancy list is planned.
- The recruitment process is not preventing vacancies from being filled however some jobs are more difficult to fill than others.

6.0 Recommendations

- Note the Councils staffing underspend information and trend analysis.
- Note that the Senior Leadership Team will review the current list of temporary workers and vacancy list to determine whether to permanently recruit to these posts or to offer savings in time for the 2016/17 budget process.
- Note that services will be asked to review their agency worker budget for 2016/17.
- Finance to review the wording used in S&R reports when referring to staffing underspends by providing more guidance on direct employment and temporary worker costs.

7. Implications

- Financial Implications** – The Council has staff budget of £36,151,200.
- Staffing Implications** – This report analyses and makes recommendations in relation to staffing budgets.
- Equal Opportunities Implications** – An EQIA has not been included into this report.
- Environmental Implications** – None.
- Procurement** – No.
- Consultation and communication**
Director of Business Transformation
Chief Executive
Head of Finance
- Community Safety**
None

8. Background papers

9. Appendices - None

10. Inspection of papers

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

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