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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: Monday 21 December 2015

Date: Monday, 18 January 2016
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 - 30)

To confirm the minutes of the meeting held on 12 October 2015.

4 Public Questions

5 Record of Urgent Decisions taken by the Executive Councillor for Finance and Resources

To note decisions taken by the Executive Councillor for Customer Finance and Resources since the last meeting of the Strategy and Resources Scrutiny Committee.

- 5a Record of Urgent Decisions taken by the Executive Councillor for Finance and Resources: 130 Cowley Road Head of Property Services (*Pages 31 - 32*)

Attached: RoD.

Report: NOT FOR PUBLICATION: The report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Items for Decision by the Executive Councillor, Without Debate

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

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

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

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

Decisions of the Leader

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

- 6 **Review Of Use Of The Regulation Of Investigatory Powers Act** (*Pages 33 - 54*)

- 7 **Public Spaces Protection Order - Action to Control Touting**

Report to follow.

- 8 **Shared Finance Services** (*Pages 55 - 58*)
- 9 **Corporate Plan 2016-19** (*Pages 59 - 66*)
- 10 **Strategy and Transformation Portfolio Revenue and Capital Budgets**
- Report to follow.

Decisions for the Executive Councillor for Finance and Resources

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

- 11 **Finance & Resources Portfolio Revenue and Capital Budgets**
- Report to follow.
- 12 **Carbon Management Plan 2016-2021** (*Pages 67 - 96*)
- 13 **Council Tax Reduction Scheme 2016/17** (*Pages 97 - 106*)
- 14 **Universal Credit Delivery Partnership Agreement** (*Pages 107 - 128*)
- 15 **Ethical Investment Report** (*Pages 129 - 136*)
- 16 **Annual Treasury Management Strategy Statement**
- Report to follow.
- 17 **Office Accommodation Strategy** (*Pages 137 - 138*)

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

- 18 **General Fund Development Programme** (*Pages 139 - 140*)

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

19 Budget Setting Report 2016/17

Report to follow.

Decisions of the Leader

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

20 Future of Park Street Car Park (*Pages 141 - 152*)

Information for the Public

Location

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

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

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

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

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Some meetings may have parts that will be closed to the public, but the reasons for excluding the press and public will be given.

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

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

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

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Accessible toilets are available on the ground and first floor.

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE 12 October 2015
5.00 - 9.00 pm

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

Leader of the Council: Councillor Lewis Herbert

Executive Councillor for Finance and Resources: Councillor George Owers

Officers:

Chief Executive: Antoinette Jackson

Director of Customer and Community Services: Liz Bisset

Director of Environment: Simon Payne

Head of Corporate Strategy: Andrew Limb

Head of Estates and Facilities: Trevor Burdon

Head of Human Resources: Deborah Simpson

Head of Finance: Caroline Ryba

Head of Communities, Arts and Recreation: Debbie Kaye

Head of Specialist Services: Paul Necus

Corporate Manager: Fran Barrett

Strategy and Partnerships Manager: David Kidston

Transformation Programme Manager: Brian O'Sullivan

Committee Manager: Sarah Steed

FOR THE INFORMATION OF THE COUNCIL

15/69/SR Apologies for Absence

Apologies were received from Councillor Cantrill, Councillor C. Smart attended as alternate.

15/70/SR Declarations of Interest

Item Number	Councillor	Interest
15/76/SR	Cllr Benstead	Member of GMB

15/71/SR Minutes of the Previous Meeting

The minutes of the meeting of the 13 July 2015 were agreed and signed as a correct record.

15/72/SR Public Questions

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

Re-ordering of the agenda.

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

15/73/SR Future of Park Street Car Park**Matter for Decision**

The report proposed the shape of the above ground development of Park Street Car Park to include mixed development 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.

Decision of the Leader

- i. Supported the redevelopment of Park Street car park to incorporate:
 - A 250 space underground car park
 - Above ground a mixed development of market, intermediate and social housing, including the option for commercial rental on the ground floor, in conjunction with cycle parking.
 - the same or greater number of cycle parking spaces
- ii. Supported a strategy to mitigate the impact of the redevelopment during construction works that included:
 - further consultation and liaison over the detailed plans and for the redevelopment with key stakeholders, including businesses in Bridge Street and the vicinity of Park Street car park
 - continuing consultation and involvement through Cambridge BID
 - regular project updates
 - exploring ways to reduce the length of time of construction, including possible re-opening of the underground car park while work continues on the construction of the commercial and housing property above ground, and re-opening in time for the 2018 Christmas shopping period

- seeking possible provision of public use of the car park under Castle Court 7 days a week during the construction (as well as the weekend use of the Shire Hall car park), and a possible shuttle Bridge St bus service to and from Castle Court and Grafton East car parks.
 - Liaison with the companies providing scheduled bus services to see if routes can be diverted via Bridge Street
- iii. Instructed the Head of Property Services in liaison with the Head of Strategic Housing to:
- Evaluate a further option for a housing mix of 40% social and 60% intermediate housing (the latter funded from the council's general fund for investment return).
 - Establish a realistic assessment of the capacity of the site for above ground development, request the Urban Design Team to prepare a full planning brief, analysing its context and constraints in order to enable development value to be optimised within the planning guidance.
 - 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
 - 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.
 - Explore the council developing the project itself, producing the social housing as outlined in the report but retaining and letting out the remaining housing.

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 Specialist Services.

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

- i. Sought clarification regarding cycle provision and whether the redevelopment would provide the same amount of cycle parking as was currently provided.

- ii. Sought clarification what investigations had been undertaken in relation to the capacity of other car parks whilst construction of the new development was in progress.
- iii. Questioned the number of cycle parking spaces.
- iv. Expressed concern that the housing proposal was driven by a desire to offset the cost of developing the car park.

In response to Members' questions the Head of Specialist Services said the following:

- i. Confirmed the number of cycle parking spaces would at least match the number of spaces currently provided by the existing development.
- ii. Initial meetings had looked at the possibility of a shuttle bus during the construction period whilst Park Street car park was not available.
- iii. The capacity of cycle parking provision may be able to be increased but this was dependant on the layout of the development.
- iv. The development must take into account budgetary pressures of the Council.

Councillor Bick proposed the following amendment to the officer's recommendation at 2.3 (additional text underlined):

In recommendation 2.3 insert before (d)

In addition to those above ground options described in the report, also evaluate a further option for a housing mix of 40% social and 60% intermediate housing (the latter funded from the council's general fund for investment return).

In order to establish a realistic assessment of the capacity of the site for above ground development, request the Urban Design Team to prepare a full planning brief, analysing its context and constraints in order to enable development value to be optimised within the planning guidance.

On a show of hands this was agreed unanimously

Councillor Robertson proposed the following amendment to the officer's recommendation 2.1, 2.2 and 2.3 of the officer's report (additional text underlined).

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, intermediate and social housing, including the option for commercial rental on the ground floor, in conjunction with cycle parking.
- c) the same or greater number of cycle parking spaces

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 for the redevelopment with key stakeholders, including businesses in Bridge Street and the vicinity of Park Street car park
- b) continuing consultation and involvement through Cambridge BID
- c) regular project updates
- d) exploring ways to reduce the length of time of construction, including possible re-opening of the underground car park while work continues on the construction of the commercial and housing property above ground, and re-opening in time for the 2018 Christmas shopping period
- e) seeking possible provision of public use of the car park under Castle Court 7 days a week during the construction (as well as the weekend use of the Shire Hall car park), and a possible shuttle Bridge St bus service to and from Castle Court and Grafton East car parks.
- f) Liaison with the companies providing scheduled bus services to see if routes can be diverted via Bridge Street

2.3 to instruct the Head of Property Services in liaison with the Strategic Housing to:

- a) 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
- b) 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.
- c) Explore the council developing the project itself, producing the social housing as outlined in the report but retaining and letting out the remaining housing.

On a show of hands this was unanimously agreed.

The amended recommendation was therefore put to the vote:

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, intermediate and social housing, including the option for commercial rental on the ground floor, in conjunction with cycle parking.
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- a) further consultation and liaison over the detailed plans and for the redevelopment with key stakeholders, including businesses in Bridge Street and the vicinity of Park Street car park
- b) continuing consultation and involvement through Cambridge BID
- c) regular project updates
- d) exploring ways to reduce the length of time of construction, including possible re-opening of the underground car park while work continues on the construction of the commercial and housing property above ground, and re-opening in time for the 2018 Christmas shopping period
- e) seeking possible provision of public use of the car park under Castle Court 7 days a week during the construction (as well as the weekend use of the Shire Hall car park), and a possible shuttle Bridge St bus service to and from Castle Court and Grafton East car parks.
- f) Liaison with the companies providing scheduled bus services to see if routes can be diverted via Bridge Street

2.3 to instruct the Head of Property Services in liaison with the Strategic Housing to:

- a) In addition to those above ground options described in the report, also evaluate a further option for a housing mix of 40% social and 60% intermediate housing (the latter funded from the council's general fund for investment return).
- b) In order to establish a realistic assessment of the capacity of the site for above ground development, request the Urban Design Team to prepare a full planning brief, analysing its context and constraints in order to enable development value to be optimised within the planning guidance.

- c) 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
- d) 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.
- f) Explore the council developing the project itself, producing the social housing as outlined in the report but retaining and letting out the remaining housing.

The Scrutiny Committee considered the amended recommendations and endorsed them unanimously.

The Leader approved the amended recommendations.

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

Not applicable.

15/74/SR Fleet Maintenance

Matter for Decision

The report proposed an approach for the future vehicle maintenance and vehicle management for the City Council and for Shared Waste Service.

Decision of the Leader

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

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 Corporate Project Manager.

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

- i. Welcomed the better management of services.
- ii. Questioned whether South Cambridgeshire District Council required their taxi's to be tested twice a year.

In response to Members' questions the Leader said the following:

- i. Confirmed was aware of the need to consult with the Taxi trade.
- ii. Confirmed that the issue of testing taxi vehicles twice a year could be raised with South Cambridgeshire District Council.

The Committee unanimously resolved to endorse the recommendations.

The Leader approved the recommendation.

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

Not applicable.

15/75/SR Future Location of Archive of City Council Decisions and Records**Matter for Decision**

The report proposed the move of the City Archives to the County's proposed new record office at Ely.

Decision of the Leader

Agreed 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.

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 Corporate Strategy.

In response to the report the Committee commented that the building in Ely was ideal especially as the digitisation of the records by the County Council was to continue.

In response to Members' questions the Head of Corporate Strategy confirmed that the Cambridgeshire Collection was not part of this decision.

In response to Members' questions the Leader said the following:

- i. The City Council had been fortunate that the County Council had maintained the City's archives following the decision in 1975. Archiving was a profession and something which the City Council did not have expertise in. Thanks were given to the County Council for the archiving undertaken as it made a big difference to the protection of the City's history.

The Committee unanimously resolved to endorse the recommendations.

The Leader approved the recommendation.

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

Not applicable.

15/76/SR Mill Road Depot Stores - Future Options**Matter for Decision**

The report summarised 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.

Decision of the Leader

- i. Approved the proposal to invite competitive tenders (market testing) for the possible future provision of a stores service by external providers.
- ii. Authorised the Director of Customer and Community Services to agree, following consultation with the Executive Councillor, the Director of Business Transformation, Chair, Spokes of the Committee, to new arrangements for a relocated 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.

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 Estates and Facilities.

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

- i. A full value for money report should be undertaken but the timescales did not permit this.
- ii. The consideration of the new location should be done as part of the accommodation strategy.
- iii. Members of the GMB were concerned at the language used within the Committee report as it seemed to promote and look to outsourcing rather than looking at in-house options.
- iv. The number of changes to managers in the service had, allowed the service to become old fashioned.
- v. Wanted to make sure that there was a level playing field for GMB members.

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

The outsourcing of this service was not a foregone conclusion, the City Council was looking for the best deal financially. The advantage of outsourcing a service was that other people took the risks whereas the advantage of retaining a service in house was the knowledge of staff.

In response to Members' questions the Leader said the following:

- i. If there were new ways of working internally this would be a comparator for an external provider.
- ii. The building maintenance department utilised the largest area of Mill Road Depot.
- iii. Whichever choice was made, the City Council was committed to the Building Maintenance Team.

The Committee unanimously resolved to endorse the recommendations.

The Leader approved the recommendation.

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

Not applicable.

15/77/SR CCTV Shared Service Annual Report

Matter for Decision

The report summarised the progress of the shared service between Huntingdonshire District Council and the City Council for CCTV, considered the operational and financial performance and the key plans for the year ahead.

Decision of the Leader

Resolved to note 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 Specialist Services.

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

- i. The graph on p121 of the agenda pack showed the information the wrong way round.

- ii. It was also requested that in future reports, the graphs were broken down between Huntingdonshire and Cambridge City.
- iii. Questioned whether the deployment decision as listed in the report was correct as it stated the decision was taken in consultation with the Leader. It was understood that these decisions were not meant to be political and officers made the decision based on specific criteria.
- iv. CCTV cameras in East Chesterton had been deployed to great effect and had reduced levels of anti-social behaviour.

In response to Members' questions the Leader said the following:

- i. There had to be some active involvement from the Executive Councillor who was responsible for community safety in relation to CCTV cameras. Previously it was not clear who was accountable.
- ii. There had been no interference from the Leader in relation to the deployment of CCTV cameras and the Officers had followed the criteria for the deployment of CCTV cameras.
- iii. The sites for CCTV cameras cannot always be made publicly available as this would affect the ability to be able to detect crime.
- iv. A procedure to provide members with the new locations of CCTV cameras will be worked out.
- v. It was planned to replace CCTV cameras so that they were more light-weight and flexible.
- vi. Confirmed that suggestions where to site CCTV cameras usually came from the Police and Area Committees.

The Committee unanimously resolved to endorse the recommendations.

The Leader approved the recommendation.

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

Not applicable.

15/78/SR Cultural Trust Project - Review of Implementation

Matter for Decision

The report detailed the post implementation review of the Cultural Trust project.

Decisions of the Leader

- i. Approved that the Transformation Programme Office report to the Members Working Group with findings from its Post Implementation Review.
- ii. Approved that the Transformation Programme Office implement lessons learnt from the Post Implementation Review to current and future projects.
- iii. Approved that future reports on Cambridge Live were made to the Executive Councillor for Communities; and the Community Services Scrutiny Committee
- iv. That the Members Working Group shared information with members of Strategy and Resources Scrutiny Committee.

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 Transformation Programme Manager.

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

- i. Commented that it was good news that a process had been put in place for lessons to be learnt from past experience and that progress reports would in future be delivered to the Community Services Scrutiny Committee.
- ii. Questioned whether the information that the Members Working Group discussed could be shared with the rest of the Committee members.

The following additional recommendation was proposed 2 (d) The Members Working Group shared information with members of Strategy and Resources Scrutiny Committee.

On a show of hands the additional recommendation was agreed unanimously.

The Committee unanimously resolved to endorse the recommendations.

The Leader approved the recommendation.

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

Not applicable.

15/79/SR Procurement of the Council's Electricity and Gas Supplies**Matter for Decision**

The report outlined the different options available to the Council to procure the Council's energy supplies from 2016.

Decisions of the Executive Councillor for Finance and Resources

- i. Agreed 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 and delegate the final choice of tariff 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. Agreed a contract period for the provision of electricity for four years with an option to review or change tariff each October, subject to prevailing market conditions and advice from ESPO at the time.
- iii. Agreed a contract period for the provision of gas for three years with an option to review or change tariff each October, subject to prevailing market conditions and advice from ESPO at the time.

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 Estates and Facilities. The Committee noted the revised recommendation sheet that had been circulated in advance of the meeting (which related to item ii and iii above).

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

- i. Questioned what the difference in cost was between green and non-green energy.

In response to the Members' question the Head of Estates and Facilities said the following:

- i. The difference in cost between green and non-green energy on current usage was approximately £2000.

The Committee unanimously resolved to endorse the revised recommendations.

The Executive Councillor approved the recommendation.

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

Not applicable.

15/80/SR Draft Climate Change Strategy 2016-2021

Councillor Hipkin left the Committee meeting before the vote was taken on this item.

Matter for Decision

The report presented a draft revised Climate Change Strategy for a five year period from April 2016 to March 2021.

Decisions of Executive Councillor for Finance and Resources

- i. Agreed the draft climate change strategy attached to the report at Appendix A for public consultation.
- ii. Agreed the consultation approach set out in paragraph 3.12 of 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 Strategy and Partnerships Manager.

Dr Eva addressed the Committee and made the following points:

- i. There were obligations to reduce emissions as signatories to the Copenhagen Accord, the increase in global temperature should be below 2 degrees on the basis of equity therefore deep cuts in global emissions were required according to science.
- ii. The Council's Climate Change Strategy failed to lay out the scale of the dangers faced, ignored climate science, did not inspire citizens and failed to address issues of fairness.
- iii. Requested that the Council introduced a 10% reduction target per year for emissions into the Climate Change Policy.

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

- i. Expressed concern at the change to the climate change objectives as they no longer seemed to seek high standards.
- ii. The Council could not promise to deliver a target figure for Cambridge when the Council did not have control over all the services provided in Cambridge.
- iii. Requested information on rainfall in relation to paragraph 2.5 of the officer's report.
- iv. Clarification was sought regarding paragraph 5.15 of the officer's report and what was meant by rapid charging infrastructure.
- v. Questioned whether the Executive Councillor would put a target on the first objective of the Policy.

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

- i. The emission figures were provided by way of illustration.
- ii. The Cambridge emission figures showed the energy usage by domestic households, would need to check about emissions from people driving into the City with the Department for Energy and Climate Change.
- iii. Confirmed that the wording of the climate change objectives had changed but this did not mean that the Council was any less ambitious and the Council would still seek to set high standards.
- iv. Welcomed comments on the drafting of the document before the document went out to consultation.
- v. With regards to the commercial food waste collection service the Council ideally wanted businesses to reduce the food waste produced in the first place.
- vi. Confirmed that paragraph 5.15 of the report which referred to rapid charging infrastructure, was in relation to charging points for electric vehicles.

- vii. The Council had considered the use of photovoltaic solar panels on some of its buildings but following the Government's withdrawal of the feed in tariff subsidy was no longer able to pursue this.
- viii. A carbon management plan ran alongside the Climate Change Policy, this previously set a Council target of a 20% reduction over a 5 year period. There had been a number of issues in measuring energy usage data but now the Council had more reliable data. A revised Carbon Management Plan was due to come to Committee in January

In response to Members' questions the Executive Councillor said the following:

- i. Cambridge was the fastest growing City in the region.
- ii. Noted the comments about imported carbon but the Council could not disconnect itself from people who travelled into the City.
- iii. Climate Energy, a company the City Council worked with for energy saving home improvements went into administration on 8 October 2015. The administrators were trying to find a buyer for the company. The Council would need to work with those individuals who were already having work done or had paid a deposit to ensure that these people had their work sorted out first.
- iv. Rainfall was covered within paragraph 2.3 of the officer's report.
- v. Congratulated the Strategy and Partnerships Manager for the work which had been undertaken on the draft Climate change Policy.
- vi. The Council had limited ability to influence beyond Cambridge.

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

The Executive Councillor approved the recommendation.

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

Not applicable.

15/81/SR Temporary Agency Worker Provision from November 2015

Matter for Decision

The reported presented the recommended option for the future provision of temporary agency worker services with effect from November 2015.

Decision of Executive Councillor for Finance and Resources

Delegated 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.

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 Human Resources.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

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

Not applicable.

15/82/SR Treasury Management Half Yearly Update Report 2015/16 to 2018/19**Matter for Decision**

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

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

The half year report had been prepared in accordance with CIPFA's Code of Practice on Treasury Management.

Decision of Executive Councillor for Finance and Resources

To recommend the report to Council for approval which included the Council's estimated Prudential and Treasury Indicators 2015/16 to 2018/19.

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 and s151 Officer.

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

- i. Sought clarification regarding paragraph 7.5 of the officer's report.

In response to Members' questions the Head of Finance and s151 Officer said the following:

- i. Rents were not paid over; reserves in the HRA fund would assist to fund any new build developments.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

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

Not applicable.

15/83/SR General Fund: Mid Year Financial Review - October 2015

Matter for Decision

The report presented and recommended the budget strategy for the 2016/17 budget cycle and specific implications which were set out in the Mid-Year Financial Review document October 2015.

The report also recommended the approval of new capital items and changes to phasing and funding proposals of the Council's Capital plan.

Decisions of Executive Councillor for Finance and Resources

- i. Agreed the budget strategy process and timetable for the 2016/17 budget cycle as outlined in Section 1 and Appendix A of the MFR document.
- ii. Agreed incorporation of the budget savings and pressures identified in Section 4 of the MFR document. This provided an indication of the net savings requirements, by year for the next 5 years and revised General Fund revenue, funding and reserves projections which was shown in Section 5 of the MFR document.
- iii. Noted the changes to the Capital Plan as set out in Section 6 of the MFR document and agree the new proposals.
- iv. Agreed 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 of the MFR document.

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 and s151 Officer.

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

- i. Commented on p248-9 of the Officers report, and asked about the assumptions on staff turnover and whether these should be flexed upwards.
- ii. Queried the 2% assumption for inflation on p249 which had been retained, linked to the recurring £100,000 on p251.
- iii. Queried whether the table in the appendix on p271 could be expanded to include what the status of the item was.

In response to Members' questions the Head of Finance and the s151 Officer said the following:

- i. Referred to the employee turnover on p248, the assumption had been in existence for a while, it was a standard assumption which was used over the whole of the Council unless there were exceptional circumstances. No one had suggested the assumption was not valid.
- ii. Referring to the retained inflation rate of 2% on p249, this was the target that the Government and Bank of England were working to. Current inflation levels were well below this target so there is an opportunity for the Council to make a saving was taken. The saving reduced the base of the Council's expenditure and gave a recurring saving of £100,000 which would be spread over supplies and services.
- iii. Confirmed that the Projects under Development (PUD) list would in future include the status of items. Where s106 items were mentioned these had been through Area or Scrutiny Committee meetings as appropriate.

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

The Executive Councillor approved the recommendation.

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

Not applicable.

15/84/SR Support for Inclusive Banking and Loan Services

Matter for Decision

The report discussed the proposed approach to further support and promote the services offered by Credit Unions in Cambridge.

Decisions of Executive Councillor for Finance and Resources

- i. Agreed the two stage approach outlined in section 3.9a and 3.9b of the Officer's report.
- ii. Noted the allocation of funding from the Shared Prosperity Fund to meet the costs outlined in paragraph 4a of the Officer's report. For the capital element of the project a full business case would be developed and presented to the Capital Programme Board for approval, delivery and inclusion on the Capital Plan.

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 Communities, Arts and Recreation.

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

- i. Welcomed the project and expressed the hope that the project worked well.
- ii. Questioned whether there were any problems in recruiting volunteers.
- iii. Questioned how the Council's progress with the scheme would be measured.
- iv. Questioned whether there could be a pop up shop for the Credit Union service.

In response to Members' questions the Head of Communities, Arts and Recreation said the following:

- i. The Council was currently working with the Cambridge Council for Voluntary Service (CCVS) to recruit volunteers to assist with the project. The back stop position would be to employ people.
- ii. There was a target for 2000 new savers over a 3 year period. The Council would promote Credit Unions as a bank for everyone.
- iii. Confirmed that the Social Inclusion Officer would provide a pop up shop style service for the credit union.

In response to Members' questions the Executive Councillor said the following:

- i. Peterborough had 1000 people sign up to a credit union.
- ii. Emphasized that credit unions provided a useful purpose.
- iii. Described a jam jar account, which may be useful for some savers following the introduction of universal credit. In a 'jam jar' account, once money is paid into the account money gets siphoned off to pay for what the individual needs.
- iv. Credit Unions provide a very basic service which people take for granted.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

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

Not applicable.

15/85/SR Staff Vacancies

Matter for Decision

The report analysed the underlying trends behind staff vacancies and expenditure for 2014/15.

Decisions of Executive Councillor for Finance and Resources to note:

- i. The Council's staffing underspend information and trend analysis.
- ii. 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.
- iii. That services are asked to review their agency worker budget for 2016/17.
- iv. That the Finance Department will review the wording used in Strategy & Resources Scrutiny Committee reports when referring to staffing underspends.

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 Human Resources.

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

- i. Thanked the Head of Human Resources for the report.

- ii. It could be thought by members that there was a £2million underspend however when this information was looked at in conjunction with agency workers spend it could be seen that there was a £1million underspend.
- iii. Questioned whether reasons could be given with the S&R report outturn information, so that the information could be put into perspective, otherwise the only information that members had was the information in the tables. It was acknowledged that assistance would be required from services to provide this information.

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

- i. Confirmed that the Head of Finance was on board with the recommendations, that there was nothing absent from previous reports but it was acknowledged that better explanations could be provided.
- ii. Some roles were more difficult to recruit into than others. There was some flexibility where posts were appointed on pay bands at recruitment and also market supplements that could be offered.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

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

Not applicable.

The meeting ended at 9.00 pm

CHAIR

RECOMMENDATION TO LEASE 130 COWLEY ROAD

Decision of: Councillor George Owers,
Executive Councillor for Finance and Resources

Reference: 15/URGENCY/S&R/05

Date of decision: 17/11/15 **Recorded on:** 2/12/15

Decision Type: Key Decision

Matter for Decision: To consider taking a lease of 130 Cowley Road, Cambridge.

Why the decision had to be made (and any alternative options): The redevelopment of Mill Road Depot requires that services are relocated by April 2017. An opportunity has arisen to rent an office and warehouse property at 130 Cowley Road and it is unlikely that another suitable property will become available in the timescales that meets the Council's requirements as well as this property.

The Executive Councillor's decision(s): Approve the lease of 130 Cowley Road, Cambridge.

Reasons for the decision: As outlined above.

Scrutiny consideration: The Chair and Opposition Spokesperson of The Strategy and Resources Scrutiny Committee were consulted prior to the action being authorised.

Report: A report detailing the background and financial considerations is not attached as this is confidential by virtue of Schedule 12A Part 3. (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of the Local Government Act 1972.

Conflicts of interest:

No conflicts of interest were declared by the Executive Councillor.

This urgent decision will be reported to the next Strategy & Resources Committee.

Comments:

None



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

Report by: Head of Legal Services/ Monitoring Officer

Relevant scrutiny committee: Strategy & Resources
18/1/2016
Scrutiny Committee

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

REVIEW OF USE OF THE REGULATION OF INVESTIGATORY POWERS ACT

Not a Key Decision

1. Executive summary

- 1.1 A Code of Practice introduced in April 2010 recommends that councillors should review their authority's use of the Regulation of Investigatory Powers Act 2000 (RIPA) and set its general surveillance policy at least once a year. The Executive Councillor for Community Development and Health and Community Services Scrutiny Committee last considered these matters on 19 January 2015.
- 1.2 The City Council has not used surveillance or other investigatory powers regulated by RIPA since February 2010.
- 1.3 This report sets out the Council's use of RIPA and the present surveillance policy.

2. Recommendations

The Executive Councillor and Scrutiny Committee are recommended:

- 2.1 To review the Council's use of RIPA set out in paragraph 5.1 of this report.

- 2.2 To note and endorse the steps described in paragraph 7.1 and in Appendix 1 to ensure that surveillance is only authorised in accordance with RIPA.

The Executive Councillor is recommended:

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

3. Background

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

- 3.2 These are the activities that are regulated by RIPA:

a) Covert directed surveillance

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

b) Covert human intelligence source (“CHIS”)

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

c) Access to Communications Data

There are stringent controls placed on access by the Council to “communications data”. The Council is not entitled to obtain access to the content of communications between third parties but can, in some circumstances, obtain information relating to the use of a communications service. “Communications services” include telecom providers, postal services and internet service providers. The Council has never authorised access to communications data under RIPA.

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

4. Member Supervision of the Use of RIPA

- 4.1 A Home Office Code of Practice provides for a wider supervisory role for councillors. The code states that, at least once a year, councillors should review the Council’s use of RIPA and set the general surveillance policy. This report gives members this opportunity.

The Council has not used RIPA powers since the Code of Practice came into effect. If RIPA powers are used, Councillors should consider internal reports on their use at least on a quarterly basis to ensure that they are being used consistently with the council’s policy and that the policy remains fit for purpose. The Code emphasises that councillors should not be involved in making decisions on specific authorisations.

5. The Council’s Use of RIPA

- 5.1 The City Council is very sparing in its use of RIPA powers. In fact, it has not authorised the use of RIPA powers in the period covered by this report (January 2015 to January 2016) and not used these powers since February 2010.
- 5.2 As mentioned in Section 3, the Council has never used RIPA powers to authorise the use of “confidential human intelligence sources” or the powers relating to the obtaining of communication data.
- 5.3 When members previously reviewed the Council’s use of RIPA, they asked for information about surveillance etc. carried out by the Council under an authorisation given by a third party. This might arise where an investigation is being led by another agency (e.g. Police or HMRC) and the Council is asked to assist. There have been two occasions in the last year in which the Council assisted the Police in directed surveillance carried out through of the Council’s CCTV. Both related to a single investigation into suspected sexual assault.

6. The Protection of Freedoms Act 2012

- 6.1 From 1 November 2012, all local authority surveillance authorised under the Regulation of Investigatory Powers Act 2000 (RIPA) has been subject to approval by a Magistrate.
- 6.2 Approval can only be given if the Magistrate is satisfied that:
- (a) There were reasonable grounds for the authorising officer approving the application to believe that the Directed Surveillance or deployment of a Covert Human Intelligence Source (CHIS) was necessary and proportionate and that there remain reasonable grounds for believing so.
 - (b) The authorising officer was of the correct seniority within the organisation i.e. a Director, Head of Service, Service Manager or equivalent.
 - (c) The granting of the authorisation was for the prescribed purpose, which is preventing or detecting crime or disorder and, in the case of directed surveillance, is confined to cases where the offence under investigation carries a custodial sentence of six months or more.
- 6.3 There are also additional safeguards in relation to the use of a CHIS. (As mentioned in paragraph 3.2, The Council has never authorised the use of a “covert human intelligence source” under RIPA.)

7. The Council’s Surveillance Policy

- 7.1 The Council’s surveillance policy is set out at Appendix 1. It sets out the tests to apply in determining whether the use of RIPA powers is necessary and proportionate.
- 7.2 The policy was updated in 2015 to reflect advice from the Chief Surveillance Commissioner that it should take account of the development of social media and the potential for infringing privacy through accessing this in the course of investigations.
- 7.3 A revised version of the Home Office’s Code of Practice on Covert Surveillance and Property Interference summarises the issue: It says:
- “The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Whenever a public authority intends to use the internet*

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

- 7.4 The Leader and Strategy and Resources Committee agreed changes to the policy to deal with this issue in January 2015.
- 7.5 No changes to the policy are recommended at present. Some updating may be needed as a consequence of the Investigatory Powers Bill, although this is unlikely to make significant changes in relation to the Council's powers and, in its present form, does not propose any increase in local authority powers. The most controversial aspect of the Bill relates to "internet connection records" (ICRs). A House of Commons briefing paper on the Bill states: "Local authorities are prohibited from acquiring ICRs for any purpose."

8. Implications

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

A formal equality impact assessment has not been carried out in preparing this report. Equality impact issues are addressed, and safeguards contained, within the body of the general surveillance policy which the Executive Councillor is being asked to endorse. Paragraph 10.5 of the policy highlights the need to consider equality issues as part of considering whether to use RIPA powers. Paragraph 10.7 highlights the special care needed if surveillance might involve obtaining access to religious material. The Head of Legal Services receives copies of all authorisations and takes an overview of the use of RIPA. The member supervision outlined in section 4 of this report would also help ensure that the policy is being applied properly.

- (d) **Environmental Implications**

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

(e) **Procurement** - None

(f) **Consultation and communication**

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

(g) **Community Safety**

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

9. Background papers

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

Report to the Leader and Strategy and Resources Scrutiny Committee: Review of Use of The Regulation Of Investigatory Powers Act (19 January 2015) This is a published source available at

<http://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=159&MId=2551&Ver=4>

House of Commons Library briefing paper dated 19 November 2015: Draft Investigatory Powers Bill. This is a published source available at

<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7371#fullreport>

6. Appendix

City Council RIPA Procedure Guide.

7. Inspection of papers

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

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

THE REGULATION OF INVESTIGATORY POWERS ACT 2000

A procedure guide on the use of covert surveillance and “covert human intelligence sources”

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

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

1. Introduction

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

2. What does RIPA do?

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

3. Some definitions

3.1 “Article 8 Rights”

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

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

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

The Council must not infringe these rights unless they are acting in accordance with the law for one of the purposes mentioned in the second paragraph. Even then, any infringement of this right needs to be proportionate. (See paragraph 9.4.)

3.2 “Covert”

Concealed, done secretly

3.3 “Covert surveillance”

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

3.4 “Directed surveillance”

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

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

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

3.5 “Intrusive surveillance”

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

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

4. RIPA and Surveillance – what is not covered

- 4.1 General observation forms part of the duties of some Council officers. They may, for instance, be on duty at events in the City and will monitor the crowd to maintain public safety and prevent disorder. Environmental Health Officers might covertly observe and then visit a shop as part of their enforcement function. Such observation may involve the use of equipment merely to reinforce normal sensory perception, such as binoculars, or the use of cameras, where this does not involve systematic surveillance of an individual. It forms a part of the everyday functions of law enforcement or other public bodies. This low-level activity will not usually be regulated under the provisions of RIPA.
- 4.2 Neither do the provisions of the Act cover the use of overt CCTV surveillance systems. Members of the public are aware that such systems are in use, for their own protection, and to prevent crime. (There is a separate Code of Practice adopted by the Council to govern use of CCTV. For information about this, contact Martin Beaumont, CCTV Manager.)

5. RIPA and Surveillance – What is covered?

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

6. What is “directed surveillance”?

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

- a) for the purposes of a specific investigation or operation;
- b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and

- c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of the surveillance. (See the clarification of this in paragraph 3.3.)

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

- 6.2 Directed surveillance is conducted where it involves the observation of a person or persons with the intention of gathering private information to produce a detailed picture of a person's life, activities and associations. However, it does not include covert surveillance carried out by way of an immediate response to events or circumstances which, by their very nature, could not have been foreseen. For example, a plain clothes police officer would not require an authorisation to conceal himself and observe a suspicious person who he comes across in the course of a patrol.
- 6.3 Directed surveillance does not include any type of covert surveillance in residential premises or in private vehicles. Such activity is defined as "intrusive surveillance" and is dealt with in paragraph 7.
- 6.4 In practice, the sort of directed surveillance which the Council might undertake would include the use of concealed cameras as part of an investigation into antisocial behaviour or breach of tenancy conditions. It might include covert surveillance connected with the enforcement of environmental health or planning regulations or in connection with investigating benefit fraud. You should treat anything involving the use of concealed cameras or anything involving keeping covert observation on premises or people as potentially amounting to directed surveillance. If you are unsure, please take advice either from your manager or supervisor, or from the Head of Legal Services.
- 6.5 Directed surveillance **must** be properly authorised in accordance with the procedure set out in section 9.
- 6.6 You should treat any covert surveillance which is likely to intrude upon anyone's privacy to more than a marginal extent as directed surveillance, even if it does not fall within the strict terms of the definition – for instance where surveillance is not part of a specific investigation or operation.

7. Directed Surveillance and Social Media

- 7.1 The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Whenever you intend to use the internet as part of an investigation, you must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights, including the effect of any collateral intrusion. (See Section 3 for an explanation of Article 8 rights.)
- 7.2 Any activity likely to interfere with an individual's Article 8 rights should only be used when necessary and proportionate to meet the objectives of a specific case. If your proposed use of social media in connection with an investigation amounts to covert directed surveillance within the scope of RIPA by electronic means, an authorisation in accordance with the procedure set out in section 9. Where an investigator may need to communicate covertly online, for example contacting

individuals using social media websites, a CHIS authorisation is likely to be needed and the Head of Legal Service should be consulted.

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

8. What is intrusive surveillance?

An important warning: the Council cannot authorise intrusive surveillance.

- 8.1 Intrusive surveillance is defined as covert surveillance that:
- a. is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
 - b. involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.
- 8.2 In essence, intrusive surveillance amounts to intrusion into people's homes or vehicles either physically or by means of a surveillance device.
- 8.3 **Intrusive surveillance cannot be undertaken without authorisation and the Council cannot authorise intrusive surveillance.** Bodies such as the Police and Customs and Excise can authorise intrusive surveillance. If you are asked by another agency to co-operate with intrusive surveillance, you should seek advice from the Head of Legal Services immediately. Where other authorities say that they are authorised to undertake intrusive surveillance but need our co-operation, we need to check that their authorisation is in order.

9. What is a covert human intelligence source?

- 9.1 A covert human intelligence source is someone who establishes or maintains a relationship with a person for the purpose of covertly obtaining or disclosing information. In practice, this is likely to cover the use of an informer or Council officer to strike up a relationship with someone as part of an investigation to obtain information "under cover".
- 9.2 Someone who volunteers information to the Council, either as a complainant (for instance, about anti-social behaviour or a breach of planning regulations) or out of civic duty, is unlikely to be a covert human intelligence source. If someone is keeping a record, say, of neighbour nuisance, this will not amount by itself to use of a covert human intelligence source. However, if we are relying on, say, a

neighbour to ask questions with a view to gathering evidence, then this may amount to use of a covert human intelligence source.

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

10. Authorising Directed Surveillance: The Rules

- 10.1 It is crucial that all directed surveillance is properly authorised. Failure to secure proper authorisation and to comply with this procedure could lead to evidence being excluded by the courts and to complaints against the Council. The Council is subject to audit and inspection by the Office of the Surveillance Commissioner and it is important that we can demonstrate compliance with RIPA and with this code. **Again, please note that the Council cannot authorise intrusive surveillance – see section 8.**
- 10.2 **Who can authorise directed surveillance?** Regulations made under the Act say that the most junior level at which authorisations can only be given is by what it refers to as “assistant chief officers”. For the purposes of this Code, authorisations may only be given by the officers identified in the Appendix to this Guide referred to as “authorising officers”. In cases of urgency, if it is not possible to seek authority from an authorising officer, authority may be given by a deputy to an authorising officer, but ratification of that authority should be sought at higher level as soon as practical, and the reasons for urgency recorded on the authorisation form. Where practical, the authorising officer should not be directly involved in the case giving rise to the request for authorisation. (However, an authorising officer may authorise a request made by staff who report to them if they are not directly involved in the case.) Where it is not practical for authorisation to be given by an officer who is not directly involved, this should be noted with reasons on the authorisation form. In addition to internal authorisation, directed surveillance cannot be carried out without the approval of a Magistrate. (See paragraph 10.2 below.)
- 10.3 **On what grounds can directed surveillance be authorised?** Directed surveillance can only be authorised by local authorities:

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

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

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

- 10.4 **Is the proposed surveillance proportionate?** Authorisation should not be sought, and authority should not be given unless you are satisfied that the surveillance is proportionate. You should make sure that any interference with privacy is justified by the end being sought. Unless the benefit to be obtained from surveillance is significant, and unless the problem you are seeking to tackle is serious, the use of surveillance is unlikely to be proportionate. We should not “use a sledgehammer to crack a nut”!
- 10.5 **Is the proposed surveillance discriminatory?** The Council is under a legal obligation to avoid either direct or indirect discrimination in carrying out its functions. As surveillance can interfere with rights contained in the European Convention on Human Rights, discrimination can also amount to a breach of the Human Rights Act. You should be sensitive to this issue and ensure that you apply similar standards to seeking or authorising surveillance regardless of ethnic origin, sex or sexual orientation, disability, age etc. You should be alert to any assumptions about people from different backgrounds which may not even be consciously held.
- 9.6 **Might the surveillance involve “collateral intrusion”?** In other words, might the surveillance intrude upon the privacy of people other than those who are the subject of the investigation. You should be sensitive of the privacy rights of third parties and consider very carefully whether the intrusion into their privacy is justified by the benefits of undertaking the surveillance.
- 10.7 **Might the surveillance involve acquiring access to any confidential or religious material?** If so, then the surveillance will require a particularly strong justification and arrangements need to be put in place to ensure that the information obtained is kept secure and only used for proper purposes. Confidential material might include legal or financial records, or medical records. Where there is a possibility that access to confidential or religious material might be obtained, the authorisation of the Chief Executive (or, in her absence in cases where it is not practical to wait for her return, the authorisation of a Director acting as her deputy) should be sought.

11. Authorising Directed Surveillance: The Procedure

11.1 Applying for authorisation.

- 10.1.1 Detailed guidance on the authorisation procedure and on how to complete the statutory forms is available on the Council’s Intranet at <http://intranet/Guidelines/Docs/RIPA%20Guidance%20Manual.pdf> The individual forms are available separately and links to them are set out in Appendix 3. You must only use the forms that are on the Intranet, you should read the accompanying notes carefully and follow them when completing the form.
- 10.1.2 Before submitting an application for authorisation, you must supply a copy of your request to the Head of Legal Services. You may only submit your application for authorisation if you obtain the approval of the Head of Legal Services.
- 10.1.3 A written application for authorisation for directed surveillance should describe in detail any conduct to be authorised and the purpose of the investigation or operation. The application should also include:

- the reasons why the authorisation is necessary in the particular case and on the grounds (e.g. for the purpose of preventing or detecting crime) listed in Section 28(3) of the 2000 Act;
- the reasons why the surveillance is considered proportionate to what it seeks to achieve;
- the nature of the surveillance;
- the identities, where known, of those to be the subject of the surveillance;
- an explanation of the information which it is desired to obtain as a result of the surveillance;
- the details of any potential collateral intrusion and why the intrusion is justified;
- the details of any confidential information that is likely to be obtained as a consequence of the surveillance.
- the level of authority required (or recommended where that is different) for the surveillance; and
- a subsequent record of whether authority was given or refused, by whom and the time and date.

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

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

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

10.2 Approval by a Magistrate

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

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

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

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

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

11.3 Duration of authorisations

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

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

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

11.4 Reviews

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

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

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

11.5 Renewals

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

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

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

- whether this is the first renewal or every occasion on which the authorisation has been renewed previously;
- any significant changes to the information given in the original application for authorisation;
- the reasons why it is necessary to continue with the directed surveillance;
- the content and value to the investigation or operation of the information so far obtained by the surveillance;
- the results of regular reviews of the investigation or operation.

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

11.6 Cancellations

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

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

11.7 Ceasing of surveillance activity

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

12. Record Keeping and Central Record of Authorisations

- 12.1 In all cases in which authorisation of directed surveillance is given, the Service Head is responsible for ensuring that the following documentation is kept safely for a period of at least three years from the date of authorisation:
- a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the authorising officer;
 - a record of the period over which the surveillance has taken place;
 - the frequency of reviews prescribed by the authorising officer;
 - a record of the result of each review of the authorisation;
 - a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
 - the date and time when any instruction was given by the authorising officer.

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

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

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

13. Authorising Use of Covert Human Intelligence Sources

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

14. Authorisations by Third Parties

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

practical, seek the advice of the Head of Legal Services before acting on a third-party authorisation.

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

15. Access to Communications Data

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

16. Covert surveillance outside of RIPA

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

17. Further Information

- 17.1 Departments may wish to develop their own guidance and Environmental Health and Waste Management has already done so. This is to be encouraged. However, the principles and procedures contained in departmental guidance must be compatible with this guidance.

17.2 There is much helpful information on the Home Office web site about RIPA. See Appendix Two for links.

17.3 The Head of Legal Services is happy to advise further on issues connected with RIPA. Departments need to consider what their training needs are in this area and the Head of Legal Services is willing to discuss what help he can offer with this.

Simon Pugh
Head of Legal Services

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

- Liz Bisset, Director of Community Services
- Robert Hollingsworth, Head of City Homes

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

Links

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

Intranet Guidance

RIPA Covert Surveillance Forms and Guidance

Regulation of Investigatory Powers Act 2000

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

- [The Regulation of Investigatory Powers Act 2000 - Procedure Guide 2015 \[DOC, 87kB\]](#)

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

RIPA Guidance Manual

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

Directed Surveillance (DS) Forms

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

Covert Human Intelligence Source (CHIS) Forms

- [Completing the CHIS Forms.doc \[DOC, 24kB\]](#)
- [CHIS Review \[DOC, 62kB\]](#)
- [CHIS Application \[DOC, 122kB\]](#)

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

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

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources 18/1/2016
Scrutiny Committee

Wards affected: All

FINANCE SHARED SERVICES

Key Decision

1. Executive summary

- 1.1 Cambridge City Council ('CCC'), Huntingdonshire District Council ('HDC') and South Cambridgeshire District Council ('SCDC') have agreed the principle of working in partnership to deliver a range of shared services and have agreed general principles to underpin the approach. It is proposed that this takes place on a phased basis, introducing new shared services as and when agreed by the three Councils. Finance services are to be included in phase 2 of the shared service programme, as reported to all councils in July 2015.
- 1.2 This report provides an update on the plans to create a shared finance service between CCC and SCDC, and seeks approval for further work.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To note the success of the current interim arrangements to share the Head of Finance and other housing finance staff; and to agree to make these permanent to support the development of the shared service.
- 2.2 To support further work to develop the finance shared service, as outlined in this report, noting that the final structure of the service will be determined after the implementation of the replacement financial management system.

2.3 To note that a further report, including a business case, will be brought back to the Committee in due course.

3. Background

3.1 The three councils are procuring and implementing a single replacement financial management system (FMS). This will be a key enabler of the finance shared service (FSS), allowing common, standardised and streamlined processes and reports to be used across the councils. CCC and SCDC plan to build on the implementation of the common FMS to share their finance services to meet immediate, identified needs. HDC will consider sharing certain aspects of the service once the FMS is implemented.

3.2 The two services employ 60 staff (52.19FTE) and have a total operating budget, excluding recharges / overheads, of £2.3m. The services provide the following functions:-

- accounting services – General Fund and Housing Revenue Account
- transactional and payroll services
- financial and tax advice
- treasury management
- insurance and risk management

However, there are differences in scope between the finance services, particularly around income accounting and collection.

3.3 Payroll services already operate as a shared service between the two councils, with CCC as the employing authority. This shared service commenced on 1 April 2014, with associated savings being taken at that time.

3.4 The two councils also share four finance posts, the Head of Finance, the Principal Accountant (Housing) and two other housing finance posts, through a service level agreement which expires in February 2016. This arrangement provides cover for vacancies, operational resilience and has enabled the sharing of expertise. It is proposed to make this arrangement permanent and to build on it in a flexible, collaborative way over the next 12 – 18 months to develop and implement the common FMS and standardised processes. The outcome of this work will inform the design of the shared service which will be created at that point. All staff will remain with their current

employer during this time, with the eventual organisation and delivery vehicle for the service being determined by the latest thinking at that time.

3.5 There are a number of benefits that could be achieved through sharing, including:-

- Removing unnecessary bureaucracy and driving towards standardisation - consequently reducing costs and increasing value for money
- Improving resilience – better able to cope with peaks in workload, annual leave etc.
- Keeping expert knowledge in a larger team will also give each council access to a greater breadth and depth of professional expertise, with the possibility of sharing specialist roles which individually are not viable in the longer term.
- Reduced external expenditure – additional resources and a broader skills base will lead to a reduction in the need for external advice. Where this is required, the combined purchasing power of the councils should lead to more competitive procurement rates.
- Improved customer service – a larger, more resilient team will result in a better and a more responsive service to officers and members.
- Staff development – a larger service will increase the opportunity for staff development, by allowing staff to work across a broader range of areas, or to become more specialised as appropriate.
- Staff recruitment/retention – greater work opportunities should improve staff retention and help to reduce turnover. A larger shared service will enable succession planning and could provide increased opportunity to consider participating in professional training schemes (growing our own).
- Savings through reduced management costs and economies of scale.

4. Implications

(a) Financial Implications

The development phase will be managed within existing budgets. A savings target for the shared service will be included in the business case.

(b) Staffing Implications

The finance teams will be managed flexibly to achieve the FMS implementation and maintain business as usual. There may be opportunities for secondment and personal development during this project. The staffing implications of the shared service will be determined once the replacement FMS is in place and staffing requirements as a result of this major change are understood.

(c) Equality and Poverty Implications

An Equalities Impact Assessment (EQIA) will be carried out when the FSS is designed. It will be reviewed at all key stages of the project.

(d) Environmental Implications

None

(e) Procurement

None

(f) Consultation and communication

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

(g) Community Safety

None

5. Background papers

Strategy and Resources Shared Services Overview Report – 13 July 2015.

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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Author's Phone Number: 01223 458134
Author's Email: Caroline.Ryba@cambridge.gov.uk



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

Report by: Andrew Limb

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 18/1/2016

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

CORPORATE PLAN 2016-19

Key Decision

1. Executive summary

- 1.1 The Corporate Plan sets out the strategic objectives for Cambridge City Council for the years 2016-19. It replaces the seven separate portfolio plans that have been used in previous years.
- 1.2 The plan sets out the key activities the Council will undertake in order to achieve its strategic objectives and deliver its vision. Success measures and key performance indicators (KPIs) are shown, as are lead Executive Councillors and officers.

2. Recommendations

- 2.1 The Executive Councillor is recommended:

To approve the Corporate Plan 2016-19.

3. Background

- 3.1 In recent years, a portfolio plan has been developed for each of the City Council's portfolios. These have set out the strategic objectives for the portfolio for the year ahead, described the context in which the portfolio is being delivered and detailed the activities required to deliver the outcomes and the vision.
- 3.2 While an annual report illustrating achievement against the objectives in the portfolio plans has been produced each year as part of the annual statement of accounts, Executive Councillors and officers have come to the view that the portfolio plan process was too disjointed and

cumbersome to achieve the levels of coherence, succinctness, transparency and accountability that were desired.

- 3.3 Hence this Corporate Plan has been developed with the intention of creating a single document that captures the key strategic objectives and priority activities for the Council in the three years ahead. This should make it easier to capture cross-cutting themes that might otherwise be missed. A further benefit of this process has been in streamlining the amount of effort and resources that has gone into its production compared to the Portfolio Plans.
- 3.4 By bringing the objectives and priorities together in one document, it is intended that this will be simpler for councillors, residents and other stakeholders, and staff, to refer to. It translates the vision into strategic objectives, from which operational plans and personal objectives are derived.
- 3.5 Some effort has been put into making the language of this document more accessible too, acknowledging that on some issues there is a recognised technical/professional form of words that has a more defined meaning. Overall the intention is that it is more transparent than the individual portfolio plans. It is also intended to aid accountability, as it should be possible to track progress against the KPIs and report these in the future.
- 3.7 By adopting a three year time frame for the Corporate Plan, it should align better with the emerging multi-year budget-setting strategy. It could be said that the Corporate Plan summarises “what” the Council will do, and the Budget Setting Report sets out “how” that will be financed. Once approved, it is envisaged that the Corporate Plan will become an appendix to the BSR.
- 3.8 It is envisaged that the plan could be updated each year within the three years it covers, but that this would be a less resource-intensive process than starting from scratch each year. The Corporate Plan could also form the basis for the Annual Statement that is adopted at Full Council each May, again ensuring greater coherence and streamlining processes.
- 3.9 This Corporate Plan process is an approach adopted in broad terms by a number of other councils, including our near neighbours in South Cambridgeshire District Council, with whom a number of our services are increasingly shared. Having a similar approach to business planning seems a sensible further step of alignment.

3.10 The Corporate Plan does not seek to cover all areas of activity, or go into excessive detail. Each service will still have an operational plan which is much more comprehensive in describing the full suite of activities it will undertake. This Corporate Plan sets out to capture the higher level, strategic objectives, and the priority activities associated with those.

4. Implications

(a) **Financial Implications**

There are no direct financial implications of producing this Corporate Plan.

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

The Corporate Plan has been produced within existing staff resources using existing officer time (less time overall than taken to produce the individual portfolio plans in previous years).

(c) **Equality and Poverty Implications**

An Equality Impact Assessment has not been produced, as the plan in itself does not contain new or different policy priorities – those are decided on by individual decisions, many following scrutiny at committee. Impact Assessments are produced for each decision with significant impacts.

It is worth noting that one of the key outcomes of the actions set out in the Corporate Plan is to reduce inequality and promote diversity at all levels within the Council and the city more broadly as part of the work to achieve the Council's vision of "One Cambridge – Fair for all".

(d) **Environmental Implications**

The decision to approve this plan does not in itself have any environmental implications. The Plan incorporates a number of activities whose environmental impact will have been assessed separately.

(e) **Procurement**

Not applicable.

(f) **Consultation and communication**

The Corporate Plan will be published on the website once approved, and communicated by way of press release and through other channels as appropriate.

(g) **Community Safety**

Not applicable.

5. Background papers

None

6. Appendices

Appendix A – Corporate Plan 2016-19

7. Inspection of papers

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

Author's Name:	Andrew Limb
Author's Phone Number:	01223 - 457004
Author's Email:	andrew.limb@cambridge.gov.uk

Cambridge City Council Corporate Plan 2016-19

Vision

The Council has a clear vision to lead a united city, 'One Cambridge - Fair for All', in which economic dynamism and prosperity are combined with social justice and equality. It's a vision we will share and develop, working with our citizens and partner organisations.

Corporate Plan 2016-19

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
One Cambridge – Fair for All	Delivering sustainable prosperity for Cambridge and fair shares for all	<ul style="list-style-type: none"> i. Carry out the actions in our Anti-Poverty Strategy (APS) action plan including supporting and promoting the services offered by credit unions in Cambridge; and promoting the living wage. ii. Support children and families who face greatest need in the city by providing opportunities to be included and engaged in the life of the city. iii. Ensure the impacts of welfare reform are managed smoothly and effectively to include the Council's local council tax reduction scheme; and work with the DWP to support residents with the implementation of Universal Credit. iv. Review community-based activity and facilities, and work in partnership, to ensure that services support those in greatest need. v. Ensure through the planning process that new developments include community and other facilities that make them high quality places to live. vi. Work with partners to secure devolution of powers and funding from central Government, and expand joint delivery of public services. vii. Work in partnership with the new destination management organisation for Cambridge and the surrounding area to maximise the economic benefits from tourism to the city. viii. Work with digitally excluded tenants and residents to enable them to access online services that improve their life chances. 	<ul style="list-style-type: none"> • People on low incomes are helped to maximise their income and minimise their costs • Impact of welfare reform on local people is mitigated including housing and homelessness assistance, debt advice, digital and financial inclusion. • Existing and new communities are connected, sustainable and thriving and have the facilities they need. • New shared community facilities and services (hub projects) are developed and delivered with our partners. • Applications for new developments that contribute to the implementation of the local plan, or support prosperity for all in the city, are dealt with efficiently through the planning process. • More residents are confident and able to access online services that improve their quality of life. • Reduced fuel poverty 	<ul style="list-style-type: none"> • The basket of indicators in the APS including Number of Housing Benefit and Council Tax Benefit claimants and their dependents • Council Tax in-year collection rates • Benefit speed of processing • Housing rent collection rates • Numbers of people who meet one or more of the Digital Inclusion Outcomes Framework indicators as a result of the City Council's Digital Inclusion Strategy interventions • Number of visits to community centres from priority groups • Percentage of households in Cambridge experiencing fuel poverty 	George Owers Richard Johnson Kevin Blencowe	Antoinette Jackson Liz Bisset, Simon Payne Andrew Limb, David Kidston, Alison Cole
	Tackling the city's housing crisis and delivering our planning objectives	<ul style="list-style-type: none"> i. Work with partner local authorities, Registered Providers and developers to build new homes across all tenures in accordance with the local plan, with a particular focus on maximising delivery of social rent housing. ii. Develop a "General Fund Development Programme" to make the most of the Council's land to provide new market, social rented and – potentially - intermediate housing, at a range of sites including, for example: <ul style="list-style-type: none"> • Mill Road Depot; and • Park Street Car Park, also incorporating underground car parking, commercial space and a new cycle park. iii. Continue to provide council housing, focusing on those most in housing need. iv. Provide housing advice to reduce, and help prevent, homelessness by offering early advice on alternative housing options. 	<ul style="list-style-type: none"> • Different types of households, with a broad range of incomes, are able to afford to live in Cambridge • More people can afford to live within a 45 minute journey from work in Cambridge • Businesses are able to recruit and retain employees who can afford to live in the travel to work area. • People are able to stay and live in Cambridge and live in safe and warm housing throughout their lives. 	<ul style="list-style-type: none"> • Total number of housing completions • Number of Affordable Housing completions • Number of new homes completed on City Council land • Planning application performance targets 	Kevin Price Kevin Blencowe	Liz Bisset Simon Payne Alan Carter Robert Hollingsworth, Trevor Burdon Paul Necus

	<p>v. Encourage private landlords to deliver good standard, energy-efficient housing and tackle those who do not.</p> <p>vi. Support health and social care partners to deliver effective community and home based support.</p> <p>vii. Seek to secure target of 40% affordable housing in new developments through the planning application process.</p> <p>viii. Support the local plans through the examination process to adoption and then joint implementation with partners, particularly in partnership with South Cambridgeshire District Council.</p> <p>ix. Ensure planning applications are dealt with within target timescales and resources.</p>	<ul style="list-style-type: none"> • Park Street Car Park project delivered on target and on budget • Residents have alternative parking or travel options during closure of Park Street Car Park. • Affordable housing continues to be delivered in the city. • The new local plan is adopted in 2017. 	<ul style="list-style-type: none"> • Local Plan delivery timetable • Number of families helped to prevent homelessness <ul style="list-style-type: none"> • Awards for the quality of new developments 		
Making Cambridge safer and more inclusive	<p>i. Make the city a safer, more inclusive and welcoming place by promoting equality and diversity advice and events.</p> <p>ii. Work with County Council, Police and local residents and businesses to tackle anti-social behaviour issues, including littering, alcohol-related incidents, fly tipping and nuisance punt touts.</p> <p>iii. Ensure that Council departments, and the partners who deliver services on our behalf, meet high standards in protecting children and adults through our safeguarding activity.</p>	<ul style="list-style-type: none"> • The city is perceived to be a safe, welcoming and inclusive place to live, work, study and visit. • Increased enforcement activity, including Fixed Penalty Notices (FPNs). • Reduction, over time, in Anti-Social Behaviour rates 	<ul style="list-style-type: none"> • Numbers of Fixed Penalty Notices issued • Numbers of Anti-Social Behaviour incidents 	Lewis Herbert Richard Johnson Peter Roberts	Liz Bisset, Debbie Kaye, Joel Carre
Investing in improving transport	<p>i. Work in partnership to deliver the City Deal infrastructure schemes and other transport measures that support the sustainable growth of Cambridge by reducing traffic congestion and increasing pedestrian, cycle and public transport use; and by securing additional investment from Government, transport operating companies and others.</p> <p>ii. Manage off-street parking that supports business and residents' needs, investing in modernised payment systems and improved energy efficiency and developing a partnership with the County Council's parking and enforcement roles.</p> <p>iii. Work with Cambridge Business Improvement District, local retailers and businesses and City Deal partners to develop a plan to reduce delivery vehicle movements in the city centre.</p>	<ul style="list-style-type: none"> • More sustainable and balanced transport choices, leading to reduced congestion, better quality of life and enhanced economic growth. • Increased numbers & proportion of people cycling, walking or using public transport to get into and around the city. • City Deal generates local funding to secure improvements to transport infrastructure. 	<ul style="list-style-type: none"> • Numbers walking, cycling or using public transport to get to work • Numbers using Council car parks • Average journey & commute times • City Deal projects delivery programme – "on-track and on-budget" 	Lewis Herbert Kevin Blencowe	Antoinette Jackson, Simon Payne, Joel Carre, Paul Necus
Protecting our city's unique quality of life	<p>i. Provide swimming, sport facilities and leisure services that are accessible to everyone, targeting our resources on promoting healthy lifestyles to address health inequalities.</p> <p>ii. Engage a greater proportion of residents in the arts and cultural life of Cambridge.</p> <p>iii. Provide funding and targeted advice to voluntary organisations</p> <p>iv. Deliver capital projects that will enhance community infrastructure and quality of life for city residents in new and existing communities.</p> <p>v. Involve communities in the planning, development and management of community assets, including public land and buildings.</p> <p>vi. Maintain a high quality and accessible city centre environment by working with the County Council, Cambridge Business Improvement District and local retailers and businesses</p> <p>vii. Ensure that valuable green, natural and historic assets well-used by visitors and residents are protected and improved through the planning process.</p> <p>viii. Ensure that growth that balances economic success with quality of life and place (including in the design of new buildings) is supported, as set out in the current and emerging local plan strategy</p> <p>ix. Work with Cambridge Live, Cambridge BID and Visit Cambridge & Beyond to develop and deliver a programme of outdoor public events and activities and to maximise the economic benefits from visits and tourism.</p>	<ul style="list-style-type: none"> • The city is a healthy place to live for all, with health inequalities reduced. • A greater proportion of residents take part in and enjoy the cultural life of the city. • The city has a thriving community and voluntary sector which promotes opportunity and inclusivity. • Assets are protected and new development the city have appropriate facilities and community infrastructure. • More maintenance and management of open spaces and facilities is carried out by volunteers and community groups. 	<ul style="list-style-type: none"> • Total number of swimming and non-swimming visits to Council sports facilities • Numbers of entries to Council-owned leisure facilities by people holding concession membership • Number of children attending free swimming lessons 	Kevin Blencowe Carina O'Reilly Richard Johnson Peter Roberts	Simon Payne, Joel Carre, Debbie Kaye
Protecting essential services and transforming council	<p>i. Develop, and start implementing, our Office Accommodation Strategy, working with shared service partners to achieve cost and carbon savings.</p> <p>ii. Generate more income from the commercial property portfolio through investment in new and existing property.</p> <p>iii. Implement, monitor and review shared ICT, Building Control and Legal Services.</p>	<ul style="list-style-type: none"> • Council buildings, land and property used more efficiently, improving service delivery and introducing new ways of working. • Staff able to work effectively and 	<ul style="list-style-type: none"> • Operational property costs/space per capita • Staff satisfaction with tools they need 	Lewis Herbert George Owers Peter Roberts Carina O'Reilly	Antoinette Jackson Ray Ward Dave Prinsep Jonathan

	delivery	<p>iv. Review existing, and explore new, opportunities for shared services.</p> <p>v. Review current commercial activities and skills and invest in further developing them.</p> <p>vi. Develop new business models to deliver sustainable commercial revenue streams to support essential council services, using the Council's "invest for income" fund where appropriate.</p> <p>vii. Establish a new operational depot for Streets & Open Spaces and Estates & Facilities.</p> <p>viii. Achieve service improvements and efficiencies by carrying out a comprehensive service review of Streets and Open Spaces.</p> <p>ix. Ensure customer contacts and queries are managed in a prompt, efficient and responsive way, adopting new self-service technologies to enable customers to access services 24/7.</p> <p>x. Explore joined up working with neighbouring councils to deliver better services and results for Cambridge residents and businesses and deliver greater efficiencies.</p>	<p>flexibly with good work/life balance.</p> <ul style="list-style-type: none"> • New and improved revenue streams from commercial and activities, including new models of bereavement care & CCTV services. • Commercialisation initiatives generate targeted income levels, and financial savings are achieved. • Operational service levels maintained during & after transfer from Mill Road Depot • S&OS Service review delivers improvements in service performance and significant net revenue savings 	<p>(accommodation, ICT and other support) to do their jobs efficiently, achieve better work/life balance</p> <ul style="list-style-type: none"> • Total income from commercial property • Net revenue savings [<i>as per transformation business cases</i>] 		James
Cambridge – caring for the planet	Tackling climate change, and making Cambridge cleaner and greener	<p>i. Implement the actions in our Climate Change Strategy, reducing emissions from our own estate and our property portfolio.</p> <p>ii. Work with residents, businesses and other organisations to reduce emissions in the city; including working with coach, bus and taxi operators to reduce vehicle emissions harmful to public health.</p> <p>iii. Adapt further to the impacts of climate change to increase the city's ability to cope with extreme weather, particularly for the most vulnerable.</p> <p>iv. Work with local residents and businesses with the aim of increasing waste recycling rates and reduce total waste generated per capita.</p> <p>v. Provide high quality Green Infrastructure (GI) that enhances residents' quality of life.</p> <p>vi. Ensure that new developments meet the council's policies for sustainable construction and energy and water efficiency.</p> <p>vii. Ensure that new developments provide the open space and recreational facilities that residents need.</p> <p>viii. Implement and develop the shared waste service with South Cambridgeshire DC.</p> <p>ix. Improve the general cleanliness of streets and open spaces, with greater public input on cleaning and enforcement decisions to target Cambridge's most challenging locations.</p>	<ul style="list-style-type: none"> • Lower emissions and energy bills from the Council estate. • Greater resilience to changing climate and the consequences of climate change. • Increase numbers of low emission vehicles and improvements in air quality. • Increase tonnage of domestic and street recycling; and reductions in non-recycling rates. • Strategic developments and projects support provision of high quality, integrated GI, including sustainable drainage and tree planting. • New developments are energy efficient and support carbon reduction and climate change mitigation. • Green infrastructure (GI) meets the needs of people and wildlife; and supports the sustainable management and growth of the city, achieving Green Flag standard where possible. • Increased community engagement in keeping Cambridge's streets & open spaces clean, including reporting and tackling cleansing issues and identifying the best place for bins. 	<ul style="list-style-type: none"> • Council's own emissions • Per capita emissions in city • Number of low emission vehicle • Waste volumes & recycling rates • Hectares of green space/ numbers of trees/ metres of sustainable drainage • Air quality at the city's main monitoring points 	Peter Roberts George Owers Carina O'Reilly Kevin Blencowe	Andrew Limb David Kidston Simon Payne Joel Carre Yvonne O'Donnell

Executive Councillors: Leader & Executive Councillor for Strategy & Transformation	Councillor Lewis Herbert
Deputy Leader & Executive Councillor for City Centre & Public Places	Councillor Carina O'Reilly
Executive Councillor for Finance & Resources	Councillor George Owers
Executive Councillor for Planning & Transport	Councillor Kevin Blencowe
Executive Councillor for Housing	Councillor Kevin Price
Executive Councillor for Waste & Environment	Councillor Peter Roberts



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

Report by: David Kidston, Strategy and Partnerships Manager

Relevant scrutiny committee: Strategy & Resources
18/1/2016
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

CARBON MANAGEMENT PLAN

Key Decision

1. Executive summary

- 1.1 This report presents the Council's new Carbon Management Plan, which provides the blueprint for reducing energy and fuel consumption and carbon emissions across our estate and activities over the next five years (between 2016/17 and 2020/21). The plan identifies 22 carbon reduction projects which officers currently believe can be delivered in 2016/17 and 2017/18, and a number of potential additional projects which could be delivered from 2018/19 onwards, subject to further investigation and development.
- 1.2 The new Carbon Management Plan builds on the learning and achievements of the first Carbon Management Plan, which led to the delivery of 47 carbon reduction projects from 2011/12 to 2015/16. In particular, the new plan continues the strategic approach adopted in the first plan, by focussing resources on projects which aim to reduce carbon emissions from the buildings and activities which contribute most to our total carbon emissions.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 to approve the new Carbon Management Plan and task officers to deliver the carbon reduction projects set out in the plan.

3. Background

- 3.1 In June 2012, the Council published a Carbon Management Plan for the period from 2011/12 to 2015/16, which set out a strategic and planned approach to reducing carbon emissions from our estate and operations.
- 3.2 Over the past five years, the Council has delivered 47 carbon reduction projects. These projects were targeted at the areas of the Council's activity which contribute most to our carbon emissions (e.g. swimming pools and leisure centres, car parks, the crematorium, vehicle fleet, offices, community centres and sheltered and temporary housing).
- 3.3 More information on these projects is provided at 2.3 in the new Carbon Management Plan, and in Appendix A to the new plan. A wide range of measures and technologies have been installed at different Council sites, including:
- a solar thermal system;
 - solar PV panels;
 - LED lighting and lighting sensors;
 - voltage optimisation;
 - energy efficient heating and air conditioning systems;
 - building energy management systems;
 - a heat recovery system; and
 - stop-start technology on fleet vehicles.

4. Carbon Management Plan projects

- 4.1 Officers have developed a new Carbon Management Plan, which sets out the achievements and learning from the delivery of the first plan, and which provides the blueprint for reducing energy and fuel consumption and carbon emissions across our estate and activities over the next five years (between 2016/17 and 2020/21). The new Carbon Management Plan continues the strategic approach adopted in the first plan, by focussing on reducing carbon emissions from the buildings and activities which contribute most to our total carbon emissions.
- 4.2 Through a combination of site assessments and discussions with building and service managers, 22 carbon reduction projects have been identified which officers currently believe can be delivered in 2016/17 and 2017/18. A summary of these projects is provided at 4.4 in the attached draft of the new Carbon Management Plan. Many of

the projects focus on rolling out measures and technologies trialled in the first carbon management plan to other suitable sites, including:

- major LED lighting projects and other lighting improvements;
- boiler and heating system upgrades;
- insulation improvements; and
- electric vehicles and more fuel efficient vehicles.

- 4.3 A full list of the projects is provided at Appendix B to the plan, including estimated costs, carbon reduction figures and financial savings for each project. Based on the performance of similar technologies in other areas of the Council's estate, it is estimated that in total these 22 projects will cost a total of around £1.72 million, deliver annual financial savings of over £90,000 and reduce carbon emissions from the Council's estate and operations by almost 500 tonnes of carbon dioxide equivalent (tCO₂e). However, it should be noted that these figures are subject to change, as they will be refined when more detailed feasibility studies for some projects are carried out and the projects proceed to implementation.
- 4.4 Officers have greater confidence about the delivery of projects for the first two years of the plan period, because we have greater certainty over the availability of funding and the operational requirements for our buildings in the short term. However, experience gained from delivering our first Carbon Management Plan shows that there needs to be a degree of flexibility and the new plan should not be considered to be 'set in stone'.
- 4.5 In addition to the 22 projects for 2016/17 and 2017/18, officers have also identified further projects which could potentially be delivered during the course of the plan period. A list of these projects is provided at 4.9. These projects are subject to further feasibility assessments, and therefore they are not sufficiently developed at this point to identify precise delivery timescales, costs, financial savings and carbon reductions at this point. Once the viability and likely impact of these projects has been fully assessed, we would expect to add them to the Carbon Management Plan as appropriate.
- 4.6 The proposals to reduce the Council's office accommodation and operational estate outlined in the developing Office Accommodation Strategy are also likely to lead to a reduction in the council's carbon footprint. A report to the Council's Strategy and Resources Committee proposes disposing of Hobson House by July 2016 and Mill Road Depot by mid-2017, and vacating the South Area Housing Office at Cherry Hinton Road by April 2016. Although it is proposed that some of the staff currently working at Mill Road Depot will be relocated to

shared service offices in partner organisations or to new facilities at the Cowley Road site, the majority of staff currently located at Hobson House and Cherry Hinton Road would be relocated to existing buildings. Although energy usage would increase consequently at these existing buildings, there is likely to be a net reduction overall in energy usage and carbon emissions.

5. Measuring and monitoring impact

5.1 In keeping with the approach recommended by the Department for Energy and Climate Change, we will continue to monitor energy usage and carbon emissions from all sites where the Council pays the energy bills. We will gather data for all these sites, using visual meter readings and half-hourly data from Automatic Meter Readers (AMRs) installed at all sites. We will publish total energy usage and carbon emissions figures annually in our Greenhouse Gas Report.

5.2 We will measure any reductions in our energy usage and greenhouse gas emissions against the baseline year for this plan, which is 2014/15. We anticipate that overall the Council could reduce its carbon emissions by up to 15% from 2014/15 levels by the end of 2020/21. This would be achieved through a combination of:

- the carbon reduction projects identified to date, which could reduce our carbon emissions by around 6% compared to 2014/15 levels;
- the additional potential carbon reduction projects identified in the Carbon Management Plan, or further carbon reduction projects to be identified over the next five years as this plan develops; and
- the impact of rationalising our office accommodation and operational estate, which could reduce our carbon emissions by up to 8%. This will depend on how reduction in energy usage through disposing of assets is offset by increases in energy usage at existing sites and energy usage at shared service partner sites.

5.3 There have been suggestions that the Council should set a more ambitious target, for instance 10% per year for the five years of the plan. That would equate to a 41% reduction from the 2014/15 baseline position. Drastic action would be required to achieve this level of reduction in our emissions.

5.4 Our understanding is that there is a general rule that buildings can achieve up to 30% reductions in the long term through the retrofit application of all main carbon reduction measures, from a base starting point. We believe that we have already applied many of the economically viable technologies to our buildings through the first

Carbon Management Plan (see 3.3 above and 2.3 in the Carbon Management Plan in the annex for a list of measures). We estimate that the projects that we have delivered through the first Carbon Management Plan have achieved a 13% reduction in emissions from base levels. Through a combination of the further lighting, heating, and insulation retrofit projects identified in the new Carbon Management Plan (see 3.5 above and 4.4 in the Carbon Management Plan in the annex), and reducing the number of administrative buildings we occupy, we estimate that we will achieve a further 15% reduction in our emissions.

5.5 We are not currently aware of further economically viable technologies that would allow the Council to reduce its emissions by more than this level and maintain current services. To achieve the further reductions suggested by commentators would therefore seem to require the Council to stop some of the services it carries out, and/or close some of its buildings. For example:

- If the Council were to close all its swimming pools and leisure centres, this would reduce our emissions by around 24%.
- If the Council were to close all its sheltered and temporary housing accommodation and community centres, this would reduce our emissions by a total of around 14%.
- If the Council were to reduce the mileage travelled by its fleet vehicles by half, this would reduce our emissions by around 7.5%. This would require fewer journeys by vehicles used in refuse and recycling collection; street cleansing, parks and open space maintenance; or housing and property maintenance.

5.6 It should be noted that the above examples are provided purely for illustrative purposes, and the Council is not considering making these changes. Officers would not recommend pursuing such options, given the other environmental, health and community benefits provided by these buildings and services. The council is committed to a range of objectives, including maintaining core services and looking after the vulnerable. The implications for services of reducing emissions by 41% over 5 years are not considered consistent with these objectives.

5.7 The Council is keen to play our part in working towards the targets agreed at the recent COP21 international conference in Paris. We will remain open to new suggestions, ideas, technologies and opportunities during the life of the Carbon Management Plan, and will keep our carbon reduction target under review as further projects are identified. We will be keen to work closely with the Universities and Cleantech businesses in the city to explore new approaches. As the

Council transforms the way some of its services are delivered and structured, we will look for further ways to be more resource-efficient in everything we do.

6. Implications

(a) Financial Implications

The 22 projects identified to date will cost an estimated £1.72 million, and deliver estimated annual savings of around £90,000, albeit potentially in the form of future cost-avoidance. Around two-thirds of this expenditure is already budgeted for through a combination of: the Housing Revenue Account; the office accommodation planned maintenance programme; the commercial property planned maintenance programme; and the fleet repairs and renewals budget.

However, it is estimated that a contribution of around £520,000 will be needed from the Council's dedicated Climate Change Fund. In some cases this funding will be used to supplement existing budgets. For example, the Climate Change Fund can be used to part fund replacement of boilers with more efficient models rather than like for like replacement. However, for other projects, including major LED lighting projects at the Grand Arcade car park, Grafton East car park, the Guildhall and Mandela House, the Climate Change Fund would need to meet the majority of implementation costs.

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

Lead officers have been identified for projects in the Climate Change Strategy. They have the capacity to deliver the projects within the stated timescales. Many of the projects will be commissioned by the Estates and Facilities service and delivered by the Council's planned maintenance contractor.

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 Carbon Management Plan.

(c) Equality and Poverty Implications

An Equality Impact Assessment is not required for the Carbon Management Plan, as the projects included in the plan are primarily capital projects which will not have a direct impact on staff or residents.

(d) Environmental Implications

The Carbon Management Plan will have a high positive impact on the environment by reducing energy and fuel consumption and resulting carbon emissions from the City Council estate and operations.

(e) Procurement

Projects identified in the Carbon Management Plan for the Council's office buildings, community centres, and sheltered and temporary housing will be commissioned by the Estates and Facilities service and delivered by the Council's planned maintenance contractor, TSG or via new arrangements with Bouygues Group PLC.

In the latter case, the Council has recently signed access agreements to allow it to make use of the Greater London Authority's (GLA) RE-FIT framework agreement specifically designed for energy performance contracting. This allows us to access Bouygues Group PLC as a contractor to identify and deliver energy efficiency projects. The principle benefit of this arrangement is that Bouygues will guarantee the energy savings predicted for projects that they deliver for the Council (subject to the new equipment being managed within defined limits).

It is currently proposed that Bouygues will develop proposals for two major projects included in the Carbon Management Plan: LED lighting installations at the Grand Arcade Car Park and Grafton East Car Park. However, there may be scope to use the company to deliver other projects in other Council buildings under the terms of the agreement.

Bouygues has prepared Desk Top Assessments (DTAs) for LED lighting at the two car parks. Under the terms of the arrangement, the DTAs were prepared at no cost to the Council and identified the range of works possible, the estimated capital installation costs and the energy and carbon savings benefits of projects. Subject to approval of the DTAs, Bouygues will be commissioned at cost to prepare a more detailed Investment Grade Proposal to inform any final decision by the Council to proceed with actual site works.

(f) Consultation and communication

Public consultation is currently being carried out on the Council's draft Climate Change Strategy for 2015/16 to 2020/21. This consultation involves a range of different consultation methods, including a survey on the Council's website, workshops with members of local environmental groups

and one-to-one meetings with key experts and stakeholders, including the University of Cambridge and Anglia Ruskin University.

The Carbon Management Plan is the primary vehicle for delivering one of the five key objectives of the wider strategy, which is to reduce carbon emissions from the Council's estate and operations. Since the projects included in the Carbon Management Plan affect the Council's own estate and services, it has not been considered appropriate to undertake public consultation on the plan.

(g) Community Safety

The Carbon Management Plan will have minimal impact on Community Safety.

7. Background papers

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

8. Appendices

Carbon Management Plan 2015/16 to 2020/21

9. Inspection of papers

If you have a query on the report please contact:

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Carbon Management Plan

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 way of life. The Intergovernmental Panel on Climate Change (IPCC) finds that average surface temperatures have increased by 0.85 °C, over the period 1880 to 2012¹. This increase has led to a range of environmental consequences, from rising sea levels, to increased incidents of extreme weather events. 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.”²
- 1.2 A recent report by the World Bank concluded that the emissions reduction pledges made by national governments at the UN climate conventions in Copenhagen and Cancun in 2009 and 2010, if fully met, place the world on a trajectory for a global average warming of well over 3°C by 2100. If these pledges are fully implemented there is still about a 20 percent chance of exceeding 4°C in 2100, and if they are not met the likelihood would be considerably higher³. If average global temperatures increase by 4%, this could have devastating consequences, including global food shortages, flooding of coastal cities⁴, unprecedented heat waves, increased water scarcity, increased intensity of tropical cyclones; and irreversible loss of wildlife and biodiversity, including coral reef systems. It is vital therefore that the recent agreement to limit warming to 1.5% reached by national governments at the COP 21 summit in Paris is implemented.
- 1.3 As a local authority, we recognise that we have a responsibility to take positive action and provide strong leadership on averting the dangerous effects of climate change. This is why we have published a Climate Change Strategy setting out the action that we will be taking over the next five years (2016-2021) to help reduce greenhouse gas emissions from the city of Cambridge as a whole. We also, as a publicly funded organisation, have a duty to manage our resources in an efficient and responsible way.
- 1.4 One of the five objectives of the Council’s wider Climate Change Strategy is “reducing emissions from the City Council estate and operations”. We have developed this Carbon Management Plan for 2016-2021 to help deliver this objective through a planned and strategic approach to reducing emissions from our buildings, vehicles and activities.

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

² IPCC, Climate Change 2014: Synthesis Report: Summary for Policy Makers p4

³ World Bank, 2012, Turn Down The Heat: Why a 4°C Warmer World Must be Avoided, p23

⁴ World Bank, 2012, Turn Down The Heat: Why a 4°C Warmer World Must be Avoided

2.0 Progress to date

- 2.1 We have made significant efforts to reduce emissions from our estate and operations over the past seven years. In 2008 we established a dedicated Climate Change Fund. Council officers were invited to bid for funding for innovative projects that will reduce the Council's energy use, costs and emissions. To date, over £800,000 has been allocated to the Climate Change Fund and 29 projects have been supported by the fund.
- 2.2 In June 2012, we published a Carbon Management Plan for 2011-2016, which set out a more strategic and planned approach to reducing carbon emissions from our 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, crematorium, vehicle fleet, offices, community centres and sheltered and temporary housing).
- 2.3 Through the first Carbon Management Plan we delivered a total of 47 carbon reduction projects across our estate and operations between 2011/12 and in 2014/15. 9 projects were delivered in 2011/12; followed by 12 in 2012/13; 7 in 2013/14; 7 in 2014/15; and 12 in 2015/16. A full list of all projects delivered is provided at Appendix 1. The key measures delivered through the Plan included:
- **Renewable energy systems**, including: a solar thermal system⁵ to provide hot water at Abbey Pool; and solar photovoltaic (PV) panels⁶ to provide electricity at Cherry Hinton Village Centre, Brandon Court sheltered housing scheme, New Street Hostel, and Buchan Street Neighbourhood Centre.
 - **Lighting improvements**, including: replacing existing lighting at Abbey Pools, the Grand Arcade Annex car park, the Corn Exchange, the Crematorium, and the communal areas of Orwell House enterprise centre and Stanton House and School Court sheltered housing schemes with LED lighting; and installing lighting sensors at Whitefriars and School Court sheltered housing schemes.
 - Installing **voltage optimisation**⁷ technology at Abbey Pools, Grafton East Car Park, the Guildhall and Mandela House.
 - **Heating improvements**, including: upgrading the boilers at the Meadows Community Centre, Ross Street Community Centre, Abbey Pools and Cherry Hinton Village Centre to condensing boilers; installing more efficient boilers and improvements to start controls and pipework at Llandaff Chambers and Mill Road Depot; and installing heating controls in the foyer at the Corn Exchange to ensure the heating is only on when and where it needs to be.

⁵ Solar thermal systems use photovoltaic (PV) panels to capture solar energy and provide a renewable source of hot water for the pool.

⁶ Solar photovoltaic (PV) panels capture the sun's energy and convert it into electricity, which is used to run electrical appliances and lighting.

⁷ Voltage optimisation technology reduces the voltages received by appliances and lights running on electricity, in order to reduce energy use

- A range of different **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.
 - A **heat recovery system** at the Crematorium, which harnesses excess heat generated to heat the buildings.
 - Replacing the air **conditioning system** at Mandela House and upgrading it to a more energy efficient system.
 - Replacing 20 **fleet vehicles** with alternatives with stop-start technology.
 - **Awareness raising campaigns** at all swimming pools to promote a culture of environmental responsibility amongst staff and customers, with the aim of reducing energy and water use.
- 2.6 It is estimated that the 47 carbon reduction projects delivered between 2011/12 and 2015/16 have achieved on-going carbon savings of around 1,198 tCO₂e per year.
- 2.7 This figure is only an estimate, because prior to 2013, 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.
- 2.8 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.
- 2.9 Our data shows that our total energy usage increased by 0.8% between 2013/14 and 2014/15, from 7,974 tonnes of carbon dioxide equivalent (tCO₂e) in to 8,041 tCO₂e in. While energy use reduced at the majority of our sites between 2013/14 and 2014/15, our emissions increased slightly over this

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.

period due to increased usage of a number of operational buildings. This included:

- Increased electricity use at the Grand Arcade annex car park.
- Increased electricity usage at some of the Council's sheltered housing accommodation.
- Increased energy usage at the crematorium, due to an increase in the number of cremations
- Increased energy usage at Brown's Field community centre, resulting from increased usage of the centre and longer opening hours.

2.10 28 of the projects delivered through the Carbon Management Plan were completed by the end of 2013/14, so it is not possible to capture the impact of these projects on our total carbon emissions. Although the Council implemented 7 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.

2.11 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 between 2011/12 and 2015/16 is £1.82m. Collectively these projects have achieved ongoing annual savings of £213,200 in the Council's energy and fuel costs, meaning that on average they will 'pay back' the original investment in just over 12 years. Many projects will continue to deliver savings beyond this point.

3.0 Aims and approach

3.1 This new Carbon Management Plan provides the blueprint for reducing energy and fuel consumption and carbon emissions across our estate and activities, between 2016/17 and 2020/21. This will help us to achieve a number of environmental and financial aims:

- Contribute to the delivery of the Council's wider Climate Change Strategy for 2016-2021 and help reduce carbon emissions from the city of Cambridge.
- Make a contribution to wider international efforts to limit average global temperature increases to less than 2 degrees Celsius compared to 1990 levels by reducing energy usage that is within our direct control.
- Provide local leadership and encourage other businesses and organisations to take positive action to reduce carbon emissions and tackle climate change by demonstrating what is possible.
- Manage our financial resources responsibly as a publicly-funded organisation. By reducing our energy consumption and costs, we will achieve financial savings which can help meet our overall financial savings targets and help protect front line services, including those used by vulnerable residents.

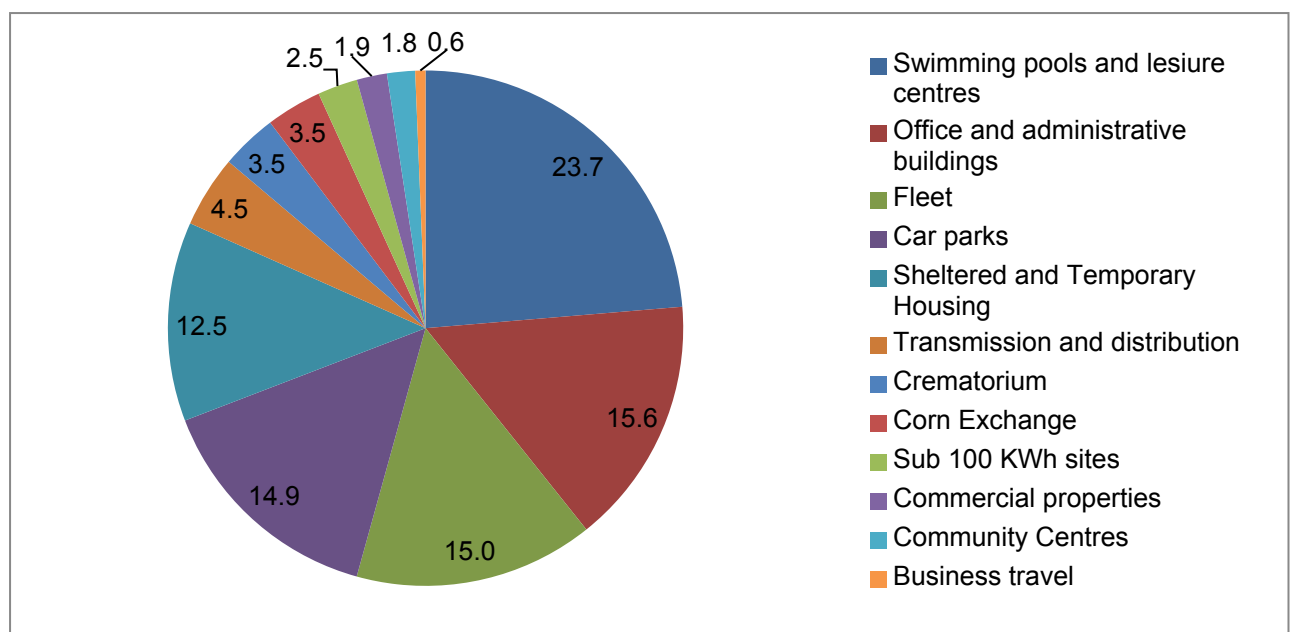
- Reduce our exposure to future financial risk, by protecting ourselves against further increases in energy costs in future and the financial penalties associated with energy use, such as through the Carbon Reduction Commitment or other instruments.

3.2 This Carbon Management Plan builds on the experience and learning that we have gained through delivering carbon reduction projects. In 2008 the Council established a dedicated Climate Change Fund to support projects which would reduce energy consumption and emissions. The availability of this funding helped stimulate Council officers to identify carbon reduction projects in Council buildings and operations, ranging from rain water harvesting systems at Arbury Court and Romsey Rec to installing LED lighting at the Corn Exchange.

3.3 In developing and publishing our first Carbon Management Plan in 2012, we sought to maximise the impact of the Council’s investment in carbon reduction projects by adopting a more planned and strategic approach over a four year period (2012/13-2015/16). As part of this more strategic approach, the plan focussed on reducing carbon emissions from the buildings and activities which contributed most to our total carbon emissions.

3.4 We intend to continue this targeted approach in this new plan, funding projects which reduce emissions in the buildings and operations which consume the most energy and fuel. As can be seen from Figure 1, swimming pools (23.7%), office and administrative buildings (15.6%) , our vehicle fleet (15.0%), car parks (14.9%), sheltered and temporary housing (12.5%), the crematorium (3.5%), commercial properties (1.9%) and community centres (1.8%) accounted for the vast majority of our carbon emissions in 2014/15. 4.5% of our emissions are associated with energy that is lost in the process of transmission from the site where it generated to end use at the Council.

Figure 1: Carbon emissions by site in 2014/15 (as a % of total emissions)



4.0 Carbon reduction projects

Projects for 2016/17 and 2017/18

- 4.1 We have identified a total of 22 carbon reduction projects that will be delivered in the first two years of the plan in 2016/17 and 2017/18. A full list of all the projects is provided at Appendix B.
- 4.2 For each project we have set out: the estimated reduction in carbon emissions it will achieve; the estimated cost; and the estimated annual financial savings it will achieve. It is estimated that in total these 22 projects will reduce carbon emissions from the Council's estate by almost 500 tonnes of carbon dioxide equivalent (tCO₂e). It is estimated that they will cost a total of around £1.72 million and deliver annual financial savings of more than £90,000.
- 4.3 The projects have been identified through a combination of site assessments and discussions with building and service managers. As with the previous Carbon Management Plan, these projects are focussed on the sites and services which use the most energy, including: swimming pools, car parks, vehicle fleet, office accommodation, sheltered and temporary housing, the crematorium, community centres and commercial properties.
- 4.4 These projects involve a range of different measures including:
- **Lighting improvements** – including:
 - major projects to replace existing lighting at the Grand Arcade Car Park, Grafton East Car Park, the Guildhall, and Mandela House with LED lighting;
 - smaller scale projects to install LED lighting at community centres (the Meadows Centre and Buchan Street Neighbourhood Centre), and communal areas in sheltered housing schemes (Rawlyn Court, Ditton Court and Mansel Court) and temporary housing (New Street Hostel and 116 Chesterton Road); and
 - other lighting measures such as PIR motion sensors at the Meadows Centre and New Street hostel.

We intend to invest significantly in LED lighting as our experience to date shows it is a highly cost effective way to achieve significant and reliable energy savings and emissions reductions. It is estimated that these new lighting projects will deliver total carbon reductions of around 335 tCO₂e. It is estimated that they will cost a total of around £470,000 and achieve estimated annual financial savings of around £56,000. These measures have an average payback period of around 8.4 years.

- **Heating improvements** – including:
 - upgrading the boiler at Mandela House to a condensing boiler;
 - improving boiler controls at the housing office at 171 Arbury Road;

- replacing existing heating systems with separate communal and flat heating systems at Stanton House and School Court sheltered housing schemes; and
- adjustments to the hot water system at Abbey Pools to allow excess heat generated by the existing solar thermal system to be used to heat hot water for showers.

It is estimated that these heating improvements will deliver a total carbon reduction of more than 40 tCO₂e. It is estimated that they will cost a total of more than £400,000 and achieve estimated annual financial savings of almost £7000. It should be noted that many of the changes to boilers and heating systems would have been delivered as part of the Council's planned maintenance programme for these buildings, but as part of our commitment to reducing carbon emissions, we will replace them with more energy efficient systems, rather than on a like-for-like basis. As a result the payback period on the financial investment and the cost per tCO₂e saved is higher than for other measures included in this plan.

- **Insulation improvements** – including roof insulation at the Guildhall and the crematorium and wall insulation at New Street Hostel.
- **Vehicle fleet** - The Council currently has a vehicle fleet of 90 vans and 28 refuse trucks, plus additional plant equipment such as tractors and ride-on mowers. In 2016/17, 8 diesel panel vans will be replaced by electric vehicles. The current diesel vehicles were responsible for annual emissions of around 13 tCO₂e. Electric vehicles have the potential to reduce carbon emissions, but this is dependent on how much of the electricity used to charge vehicle batteries comes from renewable and low carbon energy sources rather than fossil fuels. In the UK there is a broad mix of electricity generation sources, including some low carbon energy provision, so it is expected that emissions associated with electric vehicles will be lower than those from diesel vehicles.

A further 7 vehicles (1 panel van, 1 pick-up truck, 4 tipper trucks and 1 tractor) will be replaced in 2016/17 with more fuel efficient vehicles which emit less carbon dioxide. We will also be replacing other vehicles in our fleet with more fuel efficient models in future years, including: 9 refuse trucks, 5 tipper trucks and 4 pick-up trucks in 2017/18; 6 refuse trucks and 1 dumper truck in 2018/19; and 8 tipper trucks and 2 panel vans in 2019/20.

4.5 The list of projects in Appendix B is not set in stone and will develop and evolve over the course of the plan period. Experience gained from delivering our first Carbon Management Plan shows that there needs to be a degree of flexibility to the plan, including the scope to change the timing of some projects or remove some projects from the list and replace them with other more viable ones. There are number of reasons for this, including:

- Some projects may need to be rescheduled for operational reasons. For example, the installation of LED lighting at Grand Arcade Car Park was due to be completed in spring 2016, but will now be delivered in Spring 2017 for operational reasons.

- Some projects appear viable on an initial assessment, but further investigation into their feasibility can reveal that there is not a viable business case. For example, the proposed installation of voltage optimisation technology at Mill Road Depot in 2013/14 did not proceed because further site surveys showed that the technology was not appropriate for the site and did not present a strong business case. In response we brought forward the installation of the same technology in Grafton East Car Park to 2013/14.

4.6 Through our first Carbon Management Plan, we have generally been picking the “low hanging fruit”: the easier to implement carbon reduction projects, which have the shortest financial payback periods and which deliver a high rate of reduction in our emissions for the level of financial investment required. To reduce our energy bills and carbon emissions further, we may need to invest in projects which have longer payback periods or which cost more to achieve the same level of carbon reduction. The average payback period for the 22 projects included in Appendix B is 20 years, which is higher than the average payback period of 12.3 years for projects in the first Carbon Management Plan.

4.7 The projects included in this plan also focus on a more limited range of measures and technologies than the previous Carbon Management Plan. This is partly because we have already installed some technologies in all the buildings where they would achieve significant energy savings, so there is limited scope to apply them further. For example, we have installed voltage optimisation systems at Abbey Pools, Grafton East Car Park and Mandela House, but site assessments by the manufacturers have suggested that they would not be viable at any of our other sites. Similarly we have installed a solar thermal system at Abbey Pools, but this technology would not be effective at any of our other buildings as they do not have a comparable demand for hot water. However, we will continue to monitor new carbon reduction technologies as they develop over course of the plan period and assess the viability of applying them to the City Council estate

Potential further projects

4.8 The Plan currently focuses primarily on projects that will be delivered in 2016/17 and 2017/18. It has been simpler to identify viable projects for the next two years than for the medium term, because we have greater certainty over the availability of funding and the operational requirements for our buildings in the short term. As the plan progresses, we anticipate identifying more projects for delivery in later years of the plan.

4.9 We have already identified further projects which could potentially be delivered during the course of the plan period, but which are not sufficiently developed at this stage to identify precise delivery timescales or costs, financial savings and carbon reductions. Once the viability of these projects has been fully assessed, we would expect to add them to the Carbon Management Plan. Potential projects include:

- A new district heating scheme connecting the University of Cambridge's 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.
- Installing a range of new carbon reduction measures as part of the specification for the planned redevelopment of Park Street Car Park.
- Installing further measures at our swimming pools, potentially including solar PV panels and replacing the boilers at Parkside Pools with more energy efficient boilers
- Upgrading the outdoor lighting at Abbey Pools to LED lighting. This project could be funded through a CIL contribution from the proposed Cheddars Lane development, so the timing would be dependent on the delivery of this development.
- Installing wall insulation at the Meadows Community Centre.
- Installing additional insulation as part of the re-roofing of commercial property at Dale's Brewery.

4.10 In developing this Carbon Management Plan, we have also explored the viability of installing solar PV systems at additional sites, including our office accommodation; community centres; and sheltered housing schemes. The viability of these schemes has been reduced significantly following the Government's proposals to reduce the rate of Feed in Tariffs (FITs)¹¹ for solar PV installations from 1 January 2016 onwards by between 68% and 87%, depending on the size of the array of panels. As a result the average payback for our planned solar PV schemes has increased from 8 years to 15 years, which is less favourable than other measures such as LED lighting. Although the cost of solar panels has reduced significantly in recent years, they are still a comparatively costly way of saving carbon emissions. The cost for each tonne of CO₂e saved through the potential solar PV schemes (£6500 per tCO₂e) is higher than for other measures in the plan (which average £2000 per tCO₂e).

4.11 We have identified that there may still be potential to install solar PV systems at some of our sites during the plan period, such as the Guildhall and Parkside pools, where it is more likely that the majority of electricity generated by the panels could be used on site. However, these schemes are subject to further investigation and will not be prioritised for delivery over other schemes which deliver a higher level of carbon reduction for the same level of financial investment.

5.0 Carbon reduction impact of the Transformation Programme and Office Accommodation Strategy

¹¹ The Government currently pays Feed in Tariffs to individuals, businesses and organisations for any electricity supplied to the National Grid from renewable energy sources including solar PV panels, wind turbines and hydro-electric power installations.

- 5.1 The Council is currently going through a period of significant change, as it seeks to respond to growing demand for its services at a time when funding from central Government is decreasing. In response the Council is implementing a transformation programme, which is changing the way that some services are delivered in order to achieve financial savings. This includes establishing alternative service delivery models for an increasing number of Council services. This includes shared services and arms-length bodies, such as Cambridge Live which has managed the Corn Exchange, the Folk Festival and other events and other arts activities since April 2015.
- 5.2 Partly as a result of these changes, the Council will be making changes to its office accommodation and operational estate as part of a developing Office Accommodation Strategy. Phase I of the Office Accommodation Strategy was delivered in 2014 with the release of accommodation at Lion House and the transfer of staff to the Guildhall, resulting in a reduction in the total office accommodation occupied by the Council. It is proposed that in Phase II of the Office Accommodation Strategy, the following changes would be made:
- Retaining the Guildhall, Mandela House and the housing office at 171 Arbury Road.
 - Disposing of Hobson House by July 2016 and Mill Road Depot by mid-2017, and vacating the Cherry Hinton Road housing office by April 2016.
- 5.3 As shown in Table 1 below, as a result of the creation of Cambridge Live, the Council will no longer be responsible for the Corn Exchange and Parson Court, which will reduce the Council's carbon emissions by 3.9% compared to our 2014/15 baseline. It is proposed that we will dispose of Hobson House, Mill Road Depot and 89 Cherry Hinton Road, which were responsible for emissions of 404 tCO₂e in 2014/15, which represented a total of 5% of the Council's carbon emissions. This suggests that overall, a combination of the transformation programme and rationalisation of our office accommodation could lead to a reduction in our emission of 8.9% on 2014/15 levels.

Table 1: Energy use and Greenhouse Gas (GHG) emissions for selected sites in 2014/15

Site/building	Total energy use (kWh)	Total GHG emissions (tCO₂e)	Emissions as a percentage of total GHG emissions
Corn Exchange	1,058,470	292.61	3.64
Parsons Court	72,308	20.98	0.26
Mill Road Depot	914,958	287.53	3.58
Hobson House	309,458	87.96	1.09
City Homes South	94,548	28.19	0.35
TOTAL	2,449,742	717.26	8.92

- 5.4 While disposing of these sites will lead to an overall reduction in our office and operational estate, in practice the reduction in our emissions achieved through the Office Accommodation Strategy may be less than 8.9%. This is because:
- Staff in Hobson House will be relocated predominantly into Mandela House, while staff at Cherry Hinton Road will be relocated to Arbury Road. This is likely to lead to some increase in energy usage at Mandela House and Arbury Road, which will offset some of the reduction achieved by disposing of Hobson House and Cherry Hinton Road.
 - Refuse staff and the Garage service based at Mill Road will relocate to the Shared Waste Service Site at Waterbeach, while other Mill Road-based services will relocate to new facilities at the Cowley Road site by March 2017. We do not currently have energy consumption data for these sites, so it is difficult to estimate the impact on our total carbon emissions.
 - Some staff in new shared services will relocate to Shared Service offices in partner organisations.

6.0 Measuring the impact of the Carbon Management Plan

- 6.1 In keeping with the approach recommended by the Department for Energy and Climate Change, we will continue to monitor energy usage and carbon emissions from all sites where the Council pays the energy bills. We will gather data for all these sites, using visual meter readings and half-hourly data from Automatic Meter Readers (AMRs) installed at all sites. We will publish total energy usage and carbon emissions figures annually in our Greenhouse Gas Report.
- 6.2 We will measure any reductions in our energy usage and greenhouse gas emissions against the baseline year for this plan, which is 2014/15. In 2014/15 our total Greenhouse Gas Emissions were 8,041 tonnes of CO₂ Equivalent (CO₂e). This equates to 62.6 kg¹² of CO₂e per resident of Cambridge City.
- 6.3 For each of the projects included in Appendix B, we have provided estimated figures for costs, financial savings and carbon reductions. We have sought to calculate these figures as accurately as possible, but experience from delivering our first Carbon Management Plan demonstrates that as projects are worked up in detail and proceed to implementation, these figures may need to be refined. It is estimated that these projects will cost a total of around £1.72m, deliver annual financial savings of more than £90,000, and reduce our carbon emissions by a total of almost 500 tonnes of carbon dioxide equivalent (tCO₂e).
- 6.4 It should be noted, however, that the actual amount of energy and fuel used at Council sites, and therefore the financial and carbon savings that are realised, may increase or decrease from year to year as a result of other factors. These

¹² A population estimate of 128,515 has been used based on midyear census information, released June 2015.

could include: changes in usage of buildings; changes to service levels; unseasonal variations in weather; or increases in energy costs beyond those already budgeted for.

- 6.5 For this reason, the total estimated financial savings should be viewed as 'cost avoidance', because, depending on circumstances, they may mitigate any increase in our costs rather than result in a net reduction on expenditure. However, where tangible financial savings are achieved, these will be recouped through the Council's budget process.
- 6.6 Similarly, the carbon savings from carbon reduction projects could be seen as 'carbon avoidance' rather than carbon savings, because they will reduce our emissions from what they may have been otherwise, but may not necessarily deliver an annual net reduction in our carbon emissions. However, overall we would expect that the investment we are proposing in carbon reduction projects, together with wider changes in the way the Council delivers services in the future, should lead to a net reduction in our carbon emissions over the period of this plan.
- 6.7 We anticipate that overall the Council could reduce its carbon emissions by around 15% from 2014/15 levels by the end of 2020/21. This would be achieved through a combination of:
- the carbon reduction projects identified to date, which could reduce our carbon emissions by around 6% compared to 2014/15 levels;
 - further carbon reduction projects to be identified over the next five years as this plan develops (see 4.9 above for further details); and
 - the impact of rationalising our office accommodation and operational estate, which could reduce our carbon emissions by up to 8%. This will depend on how reduction in energy usage through disposing of assets is offset by increases in energy usage at existing sites and energy usage at shared service partner sites.

Appendix A – Carbon Reduction projects delivered between 2011/12 and 2015/16

No.	Service area	Project	Cost	Climate Change Fund contribution	Contribution from other sources	Annual carbon savings - tCO2e	Annual savings	Financial payback (years)
2011/12								
1	Community centres	Community Centre Energy Efficiency Improvements	£9,800	£9,800	£0	7	£1,100	8.9
2	Swimming pools	Pools Energy Efficiency Improvements - Parkside Pools changing areas	£40,000	£35,000	£5,000	40	£10,300	3.9
3	Car parks	Grand Arcade Annex Car Park LED Lights	£100,000	£100,000	£0	121	£15,366	6.5
4	Sheltered Housing	Brandon Court Energy Efficiency Measures	£440,000	£0	£440,000	42	£6,540	67.3
5	Sheltered Housing	Brandon Court - PV cells	£130,000	£0	£130,000	12	£5,840	22.3
6	Crematorium	Crematorium Heat Recovery Project	£23,145	£11,600	£11,545	22	£2,629	8.8
7	Fleet	Install electric bin lift on replacement refuse vehicle	£5,000	£0	£5,000	3	£1,322	3.8
8	Offices	Replace boiler at Llandaff Chambers	£28,966	£0	£28,966	53	£8,578	3.4
9	Temporary Housing	Solar PV installation at New Street Hostel	£23,600	£0	£23,600	2	£1,506	15.7
2012/13								
10	Swimming Pools	Implement RHI technologies - Non-housing properties	£143,833	£0	£143,833	16	£10,800	13.3
11	Swimming Pools	Abbey Energy Efficiency Improvements (VSD and BeMS)	£46,000	£24,650	£21,350	137	£20,200	2.3
12	Swimming Pools	Cherry Hinton Village Centre Changing Room Refurbishment	£20,000	£0	£20,000	24	£3,550	5.6

No.	Service area	Project	Cost	Climate Change Fund contribution	Contribution from other sources	Annual carbon savings - tCO2e	Annual savings	Financial payback (years)
13	Swimming Pools	Jesus Green and Kings Hedges Energy Efficiency Improvements	£23,300	£0	£23,300	26	£3,950	5.9
14	Swimming Pools	Pool covers for Abbey and Parkside and Kings Hedges Learner Pool	£42,600	£23,270	£19,330	70	£11,400	3.7
15	Swimming Pools	Parkside Energy Efficiency Improvements (VSD and BeMS)	£42,640	£42,640	£0	136	£20,000	2.1
16	Corn Exchange	Corn Exchange - Upgrade to LED House lighting	£39,652	£25,700	£13,952	31	£4,500	8.8
17, 18, 19	Offices	Mill Road Depot - upgrade to condensing boilers; Heating optimum start controls; and pipework inspection & insulation	£33,394	£0	£33,394	10	£1,560	21.4
20	Fleet	Route optimisation for refuse trucks (HGVs)	£15,000	£0	£15,000	TBC	TBC	TBC
21	Fleet	Install stop/start technology on 12 replacement light commercial vehicles	£2,100	£0	£2,100	1	£1,329	1.6
2013/14								
22	Sheltered Housing	Upgrade lighting and install lighting sensors at Stanton House.	£7,000	£0	£7,000	3.3	£600	11.7
23	Car parks	Voltage Optimisation Roll Out - Grafton East Car Park	£13,921	£13,921	£0	13.8	£2,100	6.6
24	Offices	Voltage Optimisation Roll out - Mandela House	£21,960	£21,960	£0	20.8	£3,800	5.8
25	Car parks	Upgrade to LEDs in Grafton West Car Park	£30,000	£30,000	£0	17.0	£3,132	9.6
26	Offices	Hobson House Boiler	£42,000	£0	£42,000	4.1	£660	63.6

No.	Service area	Project	Cost	Climate Change Fund contribution	Contribution from other sources	Annual carbon savings - tCO2e	Annual savings	Financial payback (years)
27	Other	East Road Garages Lighting Upgrade.	£13,581	£0	£13,581	11.7	£1,935	7.0
28	Community Centres	Replacing 2 Boilers at The Meadows Centre with more efficient types	£12,000	£0	£12,000	4.0	£600	20.0
2014/15								
29	Corn Exchange	Corn Exchange - Heating Controls in foyer	£8,213	£0	£8,213	1.9	£2,000	4.1
30	Swimming Pools	Cherry Hinton Village Centre - Solar PV	£15,072	£0	£15,072	4.9	£2,332	6.5
31	Swimming Pools	Kings Hedges Learner Pool - Heat Pumps	£24,522	£0	£24,522	33.2	£10,063	2.4
32	Swimming Pools	Abbey Pools - Voltage Optimisation	£19,874	£0	£19,874	41.0	£8,226	2.4
33	Swimming Pools	Parkside Pool - Combined Heat and Power (CHP) Refurbishment	£19,750	£0	£19,750	176.1	£25,000	0.8
34	Swimming Pools	Abbey Pools - LED lighting upgrade	£19,606	£0	£19,606	29.9	£7,384	2.7
35	Swimming Pools	Pools - Awareness Raising Campaign	£1,000	£0	£1,000	40.0	£4,500	0.2
2015/16								
36	Community centres	Installing 10kw solar PV installation at the Buchan Street Neighbourhood Centre	£16,000	£0	£16,000	1.1	£1,200	13.3
37	Crematorium	Installing LED lighting at the Crematorium	£2,000	£0	£2,000	1.2	£250	8.0
38	Sheltered Housing	Installing lighting sensors at Whitefriars sheltered housing	£8,000	£0	£8,000	2.4	£500	16.0

No.	Service area	Project	Cost	Climate Change Fund contribution	Contribution from other sources	Annual carbon savings - tCO2e	Annual savings	Financial payback (years)
39	Sheltered Housing	Installing lighting sensors and replacing communal lighting with LED lighting at School Court sheltered housing scheme	£8,000	£0	£8,000	2.4	£500	16.0
40	Sheltered Housing	Replacing communal lighting with LED lighting at Stanton House sheltered housing	£8,000	£0	£8,000	2.4	£500	16.0
41	Commercial property	Replacing hallway lighting with LED lighting and reducing the total number of lamps in the entrance area at Orwell House enterprise centre.	£400	£0	£400	1.2	£250	1.6
42	Commercial property	Provide alternative hot water provision at Orwell House	£7,000	£0	£7,000	3.1	£500	14.0
43	Offices	Replacement of the air conditioning system at Mandela House and upgrade to more energy efficient system	£160,000	£0	£160,000	TBC	TBC	TBC
44	Community Centres	Replacing the remaining boilers at the Meadows and Ross Street community centres to condensing boilers.	£120,000	£18,000	£102,000	18.5	£3,000	40.0
45	Swimming pools	Replacing the boiler at Abbey Pools	£30,000	£0	£30,000	6.2	£1,000	30.0
46	Swimming pools	Replacing the boiler at Cherry Hinton Village Centre.	£5,000	£0	£5,000	1.2	£200	25.0
47	Fleet	Replacing 20 fleet vehicles with alternative with stop-start technology (progressive programme since 2012).	£2,100	£0	£2,100	3.3	£2,500	0.8
TOTAL			£1,824,029	£356,541	£1,467,488	1,198	£213,202	12.3

Appendix B – New Carbon Management Plan projects

No.	Service area	Project	Estimated capital cost	Climate Change Fund contribution	Funding contribution from other sources	Estimated annual carbon savings - tonnes of CO2 (tCO2)	Estimated annual savings	Payback (years)
2016/17 projects								
1	Office buildings	The Guildhall - Replacement of roofing and additional insulation	£150,000	-	£150,000	18.5	£3,000	50.0
2	Office buildings	The Guildhall - Install 20 kW solar photovoltaic system	£30,000	£30,000	-	9.4	£2,000	15.0
3	Office buildings	North Area Housing Office - Improve boiler controls,. Measures could include optimum start controls or heating sequencing	£1,000	-	£1,000	1.2	£200	5.0
4	Car parks	Grand Arcade Main Car Park - Replace existing lighting with LED.	£322,000	£322,000	-	188	£30,500	7.7
5	Car parks	Grand Arcade Main Car Park - Replace existing lighting with LED.			-	67	£11,000	
6	Community Centres	Meadows Centre - Lighting improvements, including replacing hallway and other lighting with LED equivalent, and installing PIR motion sensor controls to lighting in hallways and meeting rooms.	£8,500	£8,500	-	7.3	£1,500	5.7

No.	Service area	Project	Estimated capital cost	Climate Change Fund contribution	Funding contribution from other sources	Estimated annual carbon savings - tonnes of CO2 (tCO2)	Estimated annual savings	Payback (years)
7	Community centres	Buchan Street Neighbourhood Centre - Replace lighting with LED lighting	£4,000	£4,000	-	1	£200	20.0
8	Crematorium	Crematorium - Upgrade loft insulation.	£1,000	£1,000	-	0.6	£100	10.0
9	Sheltered Housing	School Court - Replace existing heating systems with separate communal and flat heating systems.	£150,000	-	£150,000	12.2	£2,000	75.0
10	Sheltered Housing	Replace communal lighting with LED equivalent at sheltered housing schemes, including School Court, Rawlyn Court, Ditton Court and Mansel Court	£30,000	-	£30,000	14.5	£3,000	10.0
11	Temporary housing	New Street hostel - Install external wall insulation.	£50,000	-	£50,000	12.2	£2,000	25.0
12	Swimming Pools	Abbey Pools - Adjustments to hot water system to allow excess heat generated by the existing solar thermal system to be used to heat hot water for showers	£45,000	£45,000	-	TBC	TBC	TBC

No.	Service area	Project	Estimated capital cost	Climate Change Fund contribution	Funding contribution from other sources	Estimated annual carbon savings - tonnes of CO2 (tCO2)	Estimated annual savings	Payback (years)
13	Temporary housing	Lighting improvements, including: <ul style="list-style-type: none"> replacing communal lighting with LED equivalent at New Street hostel, installing PIR motion sensor controls to hallway lighting at New Street, replacing kitchen lighting with LED equivalent at 116 Chesterton Road 	£4,000	-	£4,000	0.8	£500	8.0
2017/18 projects								
14	Office buildings	The Guildhall - Replace existing lighting with LED and combined motion/light sensors.	£50,000	£50,000	-	32.3	£5,000	10.0
15	Office buildings	The Guildhall - Improvements to warm air heating system to Council Chamber . Large hall and small hall, sessions court - works to fans/ control systems, addition of heat recovery devices.	£200,000	-	£200,000	-	£6,000	30.0
16	Office buildings	Mandela House - Replace existing lighting with LED and combined motion/light sensors.	£50,000	£50,000	-	24.2	£5,000	10.0
17	Office buildings	Mandela House - Upgrade to condensing boiler and pipework and valve insulation	£60,000	£9,000	£51,000	15.4	£2,500	24.0
18	Office buildings	Stanton House - Replace existing heating systems with separate communal and flat	£150,000	-	£150,000	12.2	£2,000	75.0

No.	Service area	Project	Estimated capital cost	Climate Change Fund contribution	Funding contribution from other sources	Estimated annual carbon savings - tonnes of CO2 (tCO2)	Estimated annual savings	Payback (years)
		heating systems.						
19	Vehicle Fleet	Vehicle fleet - Replacement of fleet vehicles, including 7 electric vans and 6 fuel efficient vans and trucks	£420,000	-	£420,000	TBC	TBC	TBC
20	All sites	All sites - Ensure that programming of heating systems at all sites reflects current building usage patterns	Staff time	-	-	30.7	£5,000	1.0
21	All sites	All sites - Energy efficiency awareness campaigns, e.g. switch off campaigns	Staff time	-	-	24.2	£5,000	1.0
22	All sites	All sites - Building manager energy efficiency training.	Staff time	-	-	27.5	£5,000	1.0
		TOTALS	£1,725,500	£519,500	£1,206,000	499.2	£91,500	20.0

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

Report by: Alison Cole: Head of Revenues and Benefits

Relevant scrutiny committee: Strategy & Resources
18/1/2016
Scrutiny Committee

Wards affected: All Wards

COUNCIL TAX REDUCTION REVIEW 2016-17

Key Decision

1. Executive summary

- 1.1 Following the abolition of Council Tax Benefit on 1st April 2013 by Central Government, Cambridge City Council along with all other English local Councils has been required to put in place a local Council Tax Support system in the form of a Council Tax Reduction scheme by no later than 31st January in each year.
- 1.2 The Government prescribes a Council Tax Reduction scheme for pensioners, therefore the Council is required to set a scheme each year for people of working age.
- 1.3 On 1 April 2013 the Council introduced its own local Council Tax Reduction scheme as approved at a special meeting of Council on 9 January 2013 where it was agreed that Cambridge City Council preserve as much as possible the equivalent levels of benefit for those currently entitled to it.
- 1.4 This report provides the Strategy and Resources Scrutiny Committee with details of the review of the Council's 2015-16 scheme and proposals for the continuation of the agreed current scheme rules for the financial year 2016-17.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Agree to continue to administer the Cambridge City Council - Council Tax Reduction scheme 2013 (Persons who are not Pensioners) as approved by Council on 19 January 2015;
- 2.2 Agree to invoke the Council's right under paragraph 42(2) of the scheme to set the applicable amounts in Schedule 1 in line with the

annual uprating of applicable amounts, which will shortly be laid by Parliament as an amending statutory instrument to the Regulations;

- 2.3 Agree to invoke the Council's right under paragraph 48(10) of the scheme to prescribe the amounts of non-dependant deductions annually and to increase the amounts set in sub-paragraphs (1) and (2) by 1.5% as shown in Appendix 1;
- 2.4 Agree to retain the Family Premium in the schemes Applicable Amount and review for 2017-18;
- 2.5 Agree to retain the End of Calculation Deduction as set out in paragraph 49A of the scheme as "zero" per cent;
- 2.6 Agree to continue with the current position regarding discounts for empty dwellings and second homes.

3. Background

Council Tax Reduction

- 3.1 The Council was and continues to be committed to minimising the effects of reduced Government funding on the City's households.
- 3.2 There is no local discretion in respect of the provisions for pensioners, which are set out in statute in the Prescribed Regulations; it was therefore decided that the application of the scheme would be separated into two schemes:
 - 3.2.1 The Cambridge City Council - Council Tax Reduction scheme (Persons who are not Pensioners) 2015, and
 - 3.2.2 The Cambridge City Council - Council Tax Reduction scheme (Pensioners) 2015
- 3.3 In Cambridge City Council, there are currently 6702 recipients of a Council Tax Reduction compared to 6828 recipients at the same point in 2014-15. The ratio between working age and pension age remains broadly the same with approximately 63% being working age.

Welfare Benefit changes

- 3.4 The Government has announced that most working age benefits are to be frozen for the next four years whilst key disability and carer benefits would increase by inflation according to the Consumer Price Index. This reduced income to claimants could result in a small increase in entitlement to Housing Benefit and Council Tax Reduction, but would depend on other factors such as application of the Living Wage and changes in Income Tax thresholds.
- 3.5 The Government has lessened the impact on Housing Benefit by also freezing the Applicable Amounts for working age people other than those

receiving a Disability Premium or Component and removing the Family Premium for those with dependants.

3.6 The Government also announced proposals to reduce the amount of Tax Credits from April 2016. However, the Autumn Statement on 25 November 2015 revoked these proposed changes.

4 Legalities

4.1 For each financial year, the Council is required under the Finance Act 2012 to consider whether to revise its scheme or to replace it with another scheme.

4.2 The Council must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.

4.3 Where the proposal is to revise the scheme; the proposals must be taken to consultation, firstly with the precepting authorities and then to full public consultation prior to approval of any revisions to the scheme, which must be taken by full Council.

5 Benefits of maintaining the current Reduction scheme

Vulnerable Groups

5.1 The current scheme meets the Council's commitment to protect as many people as possible from any reduction in the level of Council Tax Support.

5.2 This commitment means that the people of Cambridge who are in need of Council Tax Support are not having to find extra money towards their Council Tax at a time of other cuts in welfare benefits.

Work incentives

5.3 The scheme meets the basic requirements of encouraging and incentivising work and complements work incentives within the universal credit scheme by extending maximum council tax reduction for a period of four weeks when a person on certain qualifying income-related and contributory benefits goes into work.

6 Financial Implications

Total value of Reductions

6.1 As at end of November 2015, the total value of reductions awarded in 2015-16 is estimated to be £6,327,065, subject to minor changes in

entitlements during the remainder of the year. CTR for 2014/15 was £6,309,355. As at this point last year CTR was £6,351,220.

- 6.2 Certain assumptions have been made to predict the estimated total cost of reductions in 2016-17, see appendix 1. It is also predicted that the number of people receiving a reduction will remain static or even fall slightly, and at the same time the amount of individual entitlements will decrease due to more people moving into work and increases in the scheme costs are due to the increases in the Council Tax itself.
- 6.3 Estimates indicate that Council Tax Support will lead to a reduction in the tax base of around 4,100 band D equivalent properties. The cost of CTR to the Council is therefore currently estimated to be around £740,000 for 2016/17. However, this does not take into account the funding received from the government (as funding for the scheme is not separately identified), or the additional revenue raised via the technical changes to council tax that were implemented to help meet the shortfall in funding.

Table 1

Total estimated CTR at the end of 2015-16	Total estimated CTR 2016-17 Assumptions plus 2% Council Tax Increase	Total estimated CTR 2016-17 Assumptions plus 2% Council Tax Increase plus 2% Social Care (3.45%)
£6,327,065	£6,570,414	£6,674,919

Risks

- 6.4 The Government has concluded in its own impact assessment that the key risks surround future need for council tax support. If demographic changes or economic circumstances mean that eligibility for council tax support increases significantly then the consequence of switching from a national to a local system will be that authorities bear more of the risk of a shortfall in funds.
- 6.5 There is not enough data currently available to report the social and economic changes so far in 2015-16 to be able to predict the implications for 2016-17. However it is not anticipated that the situation in Cambridge will be significantly different in the coming year.
- 6.6 Amendments to the Regulations may not be available from the Government for many months meaning the assumptions in this report are provisional only and may need be updated as necessary once legislation is available.

7 Funding Arrangements

- 7.1 The Settlement Funding Assessment is the total sum of the local share of the estimated Business Rates aggregate and the Revenue Support Grant.
- 7.2 Any amount included for the provision of Council Tax Reduction schemes is not stated as a separate sum within the overall grant.
- 7.3 The Council decided to utilise other Council Tax reforms that allowed billing authorities such as Cambridge to increase revenue on certain empty dwellings and second homes.
- 7.4 The additional revenue from changes in Council Tax discounts and exemptions will continue to contribute to overall funding of the scheme and will continue to allow the Council to protect the amount of Reduction a person can receive under its scheme, including families.
- 7.5 It is entirely for local authorities to decide how much they are prepared to spend on Council Tax Support, which is why Central Government allocations are not separately identifiable.
- 7.6 Whilst the power to set the scheme rests with billing authorities (such as Cambridge City Council), the financial impact is shared with precepting authorities.

8. Transitional Arrangements

- 8.1 None. No changes to the current scheme are proposed.

9 Staffing Implications

- 9.1 None identified.

10 Equal and Poverty Implications

- 10.1 An equalities impact assessment was carried out when the scheme was set up and this was reviewed in 2015. A further review will be undertaken when uprating details are known.
- 10.2 The scheme fully meets the Council's responsibilities to protect vulnerable groups including responsibilities under the Child Poverty Act 2010, the Disabled Persons' Act 1986, the Housing Act 1996, as well as the public sector equality duty in section 149 of the Equality Act 2010.

11 Environmental Implications

- 11.1 None.

12 Consultation

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

13 Background papers

Cambridge City Council Discretionary Council Tax Reduction scheme 2016
Full details of Cambridge City Council's Council Tax Reduction scheme can be found at:

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

The scheme will be updated with 2016/17 rates and allowances when available.

14 Appendices

Appendix A: Council Tax Reduction Review 2016-17 - Assumptions

15 Inspection of papers

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

Author's Names: Naomi Armstrong: Benefit Manager
Alison Cole: Head of Revenues and Benefits
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Appendix A: Council Tax Reduction Review 2016-17 - Assumptions

Cambridge City Council

Based on the following information, reasonable assumptions have been made with regard to the % increase for Council Tax liability, benefit income, allowances and premiums, student income and earnings for 2016-17.

The rate of CPI is as at June 2015;

Council Tax liability

2.0% increase or

3.46% includes an additional 2% Social Care increase on Cambridgeshire County Council precept.

Applicable Amounts

Pensioner allowances	1.5%
Working age allowances	0.00%
Family premium	0.00%
Disability premiums	1.0%

Working Age Non-dependant deduction

Earned income bands	1.5%
Non-dependant deductions	1.5%

State Benefits

Pensioner benefits	2.5%
Working age benefits	0.0%
Disability benefits	1.0%

Student Income 1.0%

Earnings 2.0%

Annual Benefit Increases¹

The Government announced in the May 2015 Budget that most working age benefits are to be frozen for the next four years whilst key disability and carer benefits would increase by inflation (CPI) – see below

Disability Living Allowance, Attendance Allowance, Personal Independence Payment, Employment and Support Allowance (Support Component), Disability Premiums in working age benefits, Carers Allowance and the carer premium will continue to be updated in line with inflation.

The Basic State Pension rose by 2.5% in 2015-16 and will continue to rise by earnings, CPI (see below), or 2.5%, whichever is the greatest.

Consumer Price Inflation²

The CPI in the year to June 2015 is 0%, down from 0.1% in the year to May 2015, which demonstrates a continuing downward trend

Earnings 2015

Official statistics³ show that for the period March to May 2015, pay rose by an average of 2.8% excluding bonuses when compared to the same period in 2014.

Analysts predict that average pay increases will fall back towards 2% in 2016. It has therefore been decided to assume an average pay increase of 2% otherwise analysis may show too low a rate of entitlement.

Student Finance 2015-16⁴

The maximum maintenance grant for new and continuing students attending full-time courses in the 2015-16 academic year will be increased by 0%.

Maximum loans for living costs for new and continuing students will also be increased by 3% - higher than usual due to the freezing of grants
 Gov.uk - <https://www.gov.uk/government/news/summer-budget-2015-key-announcements>
 CPI June 2015

³ Office for National Statistics - [Earnings Inflation 2015](#)

⁴ There will also be an increase of 1% on current maximum levels of Disabled Student Allowances, Adult Dependents Grant, Childcare

Grants and Parents Learning Allowance.

Assumptions used are set at 1% as student increases for 2016-17 are as yet unknown

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

Report by: Alison Cole: Head of Revenues and Benefits

Relevant scrutiny committee: Strategy & Resources
18/1/2016
Scrutiny
Committee

Wards affected: All Wards

UNIVERSAL CREDIT DELIVERY PARTNERSHIP AGREEMENT

Key Decision

1. Executive summary

The purpose of this report is to consider the Delivery Partnership Agreement with the Department of Work & Pensions which is needed for the provision of services required as a consequence of the roll-out of Universal Credit.

2. Recommendations

2.1 The Executive Councillor is recommended to authorise the Chief Executive to enter into these arrangements provided she is satisfied that the full terms of the agreement are acceptable.

3. Background

3.1 On 16 February 2015, the national rollout of Universal Credit began. Universal Credit is a new benefit which combines Jobseekers Allowance, Income Support, Employment & Support Allowance, Working Tax Credits, Child Tax Credits and Housing Benefit. The Government's aim in rolling out Universal Credit is to simplify the benefits system and improve work incentives.

3.2 The DWP will be administering Universal Credit from its regional service centres and supporting claimants to get into work through the Jobcentre Plus (JCP) network. Local Authorities (LAs) have been asked to help

support those who need extra help with their claims, although this is not a statutory duty.

3.3 DWP requires local JCP offices and LAs to enter into local Delivery Partnership Agreements (DPAs) which set out the roles of each organisation in delivering Universal Credit and provides for payments to be made to LAs in respect of the activities they carry out to support the DPA. This report is seeking approval for the Council to enter into a Delivery Partnership Agreement with the local Jobcentre Plus.

3.4 Universal Credit will be introduced in Cambridge on 29th February 2016 for single claimants without children. The trigger for applying for Universal Credit will be the need to make a claim for Jobseekers Allowance, i.e. where someone loses their job, or leaves the education system. Where Universal Credit has been rolled-out elsewhere, the majority of claimants are young (under 30) single men, a third of which have housing costs.

3.5 The eligibility criteria for Universal Credit in Cambridge in year one means that there will be a small number of claimants. DWP are forecasting up to 82 applications a month in Cambridge, although experience in other areas shows that actual numbers of applications are much lower than those forecast.

3.6 This estimate is the DWP's current forecast and very much depends on when Universal Credit will be expanded to couples and families.

3.7 Schedule 1 of the DPA outlines the responsibilities of the City Council. These include:

- Providing support to the Universal Credit Service Centre on housing cost issues
- Supporting customers to make claims online
- Providing access to personal budgeting support to customers identified as having a need for it
- Processing claims for Council Tax Reduction
- Supporting landlords to prepare for Universal Credit
- Providing Management Information to DWP
- Supporting DWP with the evaluation of the first phase of national Rollout

3.8 DWP has advised that they expect there to be fewer than 12 customers per month requiring support. Providing this support in-house will help inform the decision on how to provide these services if and when Universal Credit is rolled out to a wider customer base.

4. Implications

(a) Financial Implications

The Council will receive payments for undertaking the activity outlined in the DPA and DWP have indicated that the maximum that is likely to be granted, is £30,000 plus VAT.

(b) Staffing Implications

Limited in initial roll-out, due to very low numbers.

(c) Equality and Poverty Implications

An Equality Impact Assessment has not been undertaken by the Local Authority as the implementation of Universal Credit is a DWP initiative. The DWP has produced an Equality Impact Assessment which is available online at <https://www.gov.uk/government/collections/welfare-reform-act-2012-equality-impact-assessments>

(d) Environmental Implications

None

5. Appendices

Appendix 1 – Sample Delivery Partnership Agreement

6. Background papers

None

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Appendix 1 - Sample Delivery Partnership Agreement

(1) DEPARTMENT FOR WORK AND PENSIONS

and

(2) CAMBRIDGE CITY COUNCIL

Dated.....

UNIVERSAL CREDIT DELIVERY PARTNERSHIP

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This Delivery Partnership is made on --/--/2015/2016

BETWEEN:-

- (1) Department for Work and Pensions, whose principal place of business is at Caxton House, Tothill Street, London, SW1H 9NA (the 'Department') and
- (2) Cambridge City Council ('the Council')

IT IS AGREED as follows:-

- 1.1. As part of Universal Credit (UC) expansion, Cambridge City Council have agreed to be a delivery partner from 29/02/2016 to 31/03/2017 in accordance with this Delivery Partnership (DP).
- 1.2. The Department will work in partnership with the Council, to deliver the services required by these claimants, following Universal Support – delivered locally principles, recognising that the partnership will deliver services (as set out in Schedule1) that are flexible and sensitive to local needs, with the ultimate aim of delivering a joined up and coherent journey between services for the claimant. This DP will support national expansion of UC as an interim arrangement, until the full Universal Support offer is in place. These include:
 - Getting on-line to make their claim.
 - Receiving budgeting support to prepare and support claimants for the financial changes UC brings, specifically these include, the single household payment, the UC monthly payment and housing costs paid directly to the claimant.
- 1.3. UC has a current requirement for assistance with housing cost claims from the Council.
- 1.4. Partnership working is crucial to the delivery of this DP and will lay the foundations upon which the Universal Support services will be developed and delivered.
- 1.5. The following partnering principles will apply as the Department and the Council move forward.

The Department and the Council are:

- committed to working together to improve performance, efficiency and the quality of claimants' experience of services;
- in agreement that they have key roles to play in identifying, leading and participating in partnership working;
- in agreement that, wherever possible, partnership working should be based on and leveraged against infrastructure and services that are already in place, building on existing successful partnerships and taking learning from these successful models;
- in agreement that they will continue to seek, through discussion, opportunities to further help to develop, test and trial the early implementation of any jointly agreed initiatives and best practice that will

further support the ambitions of the wider Department and the Council and other local authorities in the delivery of Universal Support.

- 1.6. During the period of this DP the Department will continue to accept new claims to UC from claimants, in the designated post code areas, who satisfy the UC eligibility criteria. It is recognised that this claimant group may change as a result of changes in circumstance once the claimant is in receipt of UC.
- 1.7. Where the actual number of claimants using the services outlined in this DP (Schedule1 Part 2), based upon the initial UC criteria, exceed the projected volumes in Schedule 2, the Department and the Council will enter into discussions to re-negotiate and agree any increased funding to reflect the revised volumes.
- 1.8. Where a subsequent change in the UC eligibility criteria causes the volumes to differ from the projected volumes on which this DP is based and or volumes change for any reason, the Department and the Council will enter into discussions to re-negotiate the funding.
- 1.9. Both the Department and the Council shall participate in UC delivery, performing the acts, functions and roles assigned to it by the Parties in accordance with the outline of the services and activities set out in Schedule 1.
- 1.10. The Council shall inform the Department in writing of the identity of any organisation which the Council employs or engages to assist the Council in performing any act on behalf of the Council or in performing any of the functions or roles of the Council in the UC support services.
- 1.11. Nothing in this DP shall be deemed to constitute a partnership under the Partnership Act 1890 or the Limited Partnerships Act 1907, joint venture, agency, interest grouping or any other kind of formal business grouping or entity between the Department and the Council.

2. PAYMENT BY THE DEPARTMENT

- 2.1. The Department will pay the Council on presentation to the Department by the Council of a valid invoice in such form and containing such information as the Department reasonably requires for the costs incurred by the Council in providing those services and activities and in accordance with the funding arrangements set out in Schedule 2. Payment will be subject to validation by the Department which may include additional information being requested by the Department. Invoices must be presented monthly or at agreed intervals.
- 2.2. Subject to clause 2.1 the Department will pay the Council for the costs incurred by the Council in providing the services and undertaking the activities set out in Part 2 of Schedule 1 during the month for which the invoice is presented within 20 working days of the date of the presentation of the invoice.
- 2.3. Payment is time bound and invoices need to be submitted promptly. DWP cannot make payment in advance for services that have not been delivered.

3. MANAGEMENT INFORMATION

- 3.1. The Council will provide the following information each month to the Department and on an 'ad-hoc' basis (as agreed by parties on an exceptional basis), in such format and/or media as the Department reasonably requires:
- **Assisted digital support**- Number of claims requiring additional (i.e. one to one assistance needed in order to complete the claim process);
 - **Personal Budgeting Support**-Volume of claimants referred for personal budgeting support and the number who were actually seen- as %;
 - Volume of referrals to personal budgeting support that resulted in telephone advice by the Council (or provider);
 - Volume of referrals to personal budgeting support that resulted in face to face advice by the Council (or provider);
 - **LCTRS**- Number of manual applications to Local Council Tax Reduction Scheme processed;
 - **UC Service Centre Support**- Number of cases where Universal Credit service centre contacts the Council to complete the evidence gathering or makes checks on the claimant.

4. GOVERNANCE

- 4.1. The services and activities to be undertaken by the Council will be monitored during the life of this DP through:
- Monthly review meetings that will take place between the Council and the Department at a working level; and
 - Quarterly review meetings will take place between the Council's Chief Executive, and the District Manager (DWP) or their nominated representatives.

Such reviews shall include (but are not limited to) (i) the impact of the services delivered by the Council upon claimants under the UC service; (ii) any specific issues received or raised by either party; (iii) the performance of the wider obligations of the Department and Council under this DP including any impact on funding and (iv) any complaints received.

- 4.2. The Department's District Manager and the relevant senior Council Official **[insert title of relevant Council Official]** or other nominees as agreed locally, shall use reasonable endeavours to resolve all issues and differences arising out of or in connection with this DP by means of prompt discussions.
- 4.3. If the Council has a query relating to UC, in the first instance, the Council will attempt to resolve the query from existing guidance. If the query remains unresolved, the Council will complete the LA Issue Resolution Template and forward the query to the **[insert email address set up by District]** inbox for resolution. The Department will seek to resolve queries submitted within 5 working days and in exceptional circumstances within 10 working days except where the query relates to a customer where the query should be resolved as soon as possible and within a maximum of 5 working days.
- 4.4. If the Department has a query relating to UC for the Council to resolve, the Council will seek to resolve queries submitted within 5 working days and in exceptional circumstances within 10 working days except where the query

relates to a customer. In these circumstances the query should be resolved as soon as possible and within a maximum of 5 working days.

5. CHANGE CONTROL

- 5.1. Either the Department or the Council may propose a variation to the activities listed, in writing (including but not limited to electronic mail) to the other, and the other shall confirm in writing (including but not limited to electronic mail) to the Party who proposed the variation, whether it agrees or does not agree to the variation as soon as practicable and in any event within 30 calendar days.
- 5.2. Immediately upon agreement by the other in accordance with clause 5.1 above, the Department's nominated signatory and the Council's nominated signatory shall sign a variation whereupon the Parties shall be bound by those terms.

6. DATA PROTECTION AND FREEDOM OF INFORMATION

- 6.1. Both Parties are Data Controllers under the Data Protection Act 1998 and are joint Data Controllers for the purposes of Universal Support.
- 6.2. Data protection will be set out in a separate Data Sharing Agreement signed by both DWP and the Council.
- 6.3. From time to time either Party may receive requests for information relating to this DP and/or the UC Live Service. In such event, the other Party will do all things reasonably necessary to assist the Party who received the request, in meeting the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

7. CONFIDENTIALITY

- 7.1. Both Parties must ensure that they (and any person they employ or engage) only use Confidential Information belonging to the other for the purposes of the UC live service and neither Party shall disclose Confidential Information of the other without the other's prior written consent.
- 7.2. Both Parties shall be allowed to disclose Confidential Information to any person who they employ or engage in connection with the UC support provided that that other person is bound by confidentiality obligations substantially the same as those set out in this clause 7.
- 7.3. This clause 7 shall continue to apply after this DP has ended but it shall not apply at any time to information which is or comes into the public domain or which is required to be disclosed by law or to an auditor or regulator of a Party.

8. HEALTH & SAFETY

- 8.1. Both Parties shall co-operate with the other to ensure the health, safety and welfare of their employees, claimants, customers and visitors. In particular, they shall take all reasonable steps to:
 - Inform each other of any risks arising out of each others businesses.

- Co-ordinate the emergency procedures, including evacuation arrangements and first aid provision.
- Co-ordinate the exchange and management of information in respect of serious offenders, potentially violent persons, staff protection lists and dangerous areas.
- Co-ordinate the collection and management of health and safety management information.
- Co-operate with the consultation arrangements, including provision and recognition of Trade Union appointed safety representatives and the remit of safety committees that cover co-location premises.

9. DIVERSITY & EQUALITY

9.1. Both Parties shall ensure that they actively promote equality of opportunity for and good relations between all persons irrespective of their race, gender, gender reassignment, disability, age, sexual orientation or religion or belief. Both Parties commit to providing services that embrace diversity and promotes equality of opportunity and shall ensure that they are embedded in day to day working practices with customers, colleagues and partners. Both Parties shall ensure that business partners support their commitment to take reasonable steps to:

- Treat each other fairly and with respect.
- Promote an environment that is free from discrimination, bullying and harassment and tackle behaviours that breach this.
- Promote diversity and equality of opportunity within your respective businesses.
- Recognise and value the differences and individual contribution people make.

10. TERMINATION

10.1. Each Party shall have the right to terminate their participation in the UC live service at any time by giving 3 month's written notice to the other. Notwithstanding clause 10.2, termination or expiry of the UC live Service shall be without prejudice to any rights, remedies or obligations of either Party accrued under this DP prior to termination or expiry.

10.2. In the event of either Party terminating their involvement under clause 10.1, the Department shall reimburse to the Council any properly and reasonably committed expenditure of the Council which is within the funding envelope set out in Schedule 2 only to the extent that such expenditure has or will have been incurred by the Council and cannot be avoided or mitigated despite the use by the Council of its best endeavours.

11. RIGHTS OF THIRD PARTIES

11.1. A person, who is not a Party to this DP, has no right to enforce any term of this DP.

12. SEVERABILITY

12.1. If any provision of this DP is held invalid, illegal or unenforceable for any reason, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if this DP had been executed with the invalid provision eliminated.

13. DISPUTE RESOLUTION

13.1. Both Parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with this DP within 42 days of a Party notifying the other of the dispute and such efforts shall involve the escalation of the dispute to chief officer level in the Council and Universal Credit Programme director level in the Department.

14. LAW AND JURISDICTION

14.1. Subject to the provisions of clause 13.1, the Department and the Council accept the exclusive jurisdiction of the English courts and agree that this DP is to be governed by and construed according to English Law.

15. INTERPRETATION

15.1. Schedule 3 shall have effect.

SIGNED on behalf of the Department

for Work and Pensions by an

Authorised Signatory

Print name.....

Authorised Signatory

SIGNED on behalf of Cambridge City Council

by an Authorised Officer

Print name.....

Authorised Officer

SCHEDULE 1

UNIVERSAL CREDIT SERVICE PROVISION

PART 1

The Department will:

- provide support to the Council in the development and implementation of local service provision, following Universal Support – delivered locally (previously Local Support Services) principles;
- provide timely and relevant guidance and products to inform delivery of local service provision;
- provide data to support the Local Council Tax Reduction Scheme (LCTRS) for as long as this is required;
- carry out an initial process that will highlight claimants needing budgeting support and/or an alternative payment arrangement;
- For those who are unable to self-serve, refer to the Council for provision of digital upskilling and /or budgeting support;
- Ensure claimants consent is obtained to share information with the Council;
- Provide the Council with the following information:
 - Name
 - National Insurance Number
 - Date of birth
 - Address
 - Telephone contact details
 - Whether an alternative payment arrangement is in place and if so;
 - The review date.

PART 2

The Council will:

- ensure agreed local service provision is available from (date as stated in para 1.1);
- deliver relevant learning and development products to support delivery of UC within the Council;
- monitor the impact and take appropriate actions to mitigate the impact on current business relating to administering the housing benefit provision as a result of the introduction of UC;
- inform the Department of any potential barriers to the delivery of local service provision;
- participate in discussions with the Department, pursuant to the Partnering Principles, that will further support the ambitions of the wider Department and Local Authorities in the delivery of Universal Support. Where deemed appropriate, and as a result of those discussions, any resultant changes to this DP will be subject to agreement in accordance with the Change Control procedures contained in this DP; see section 5;

- Complete the Business Readiness Certificate before the go live date, see Schedule 4.

The Council will undertake the following services and activities:

- Provide support to UC Service Centre staff around housing cost issues that may arise. This will be achieved through:
 - Identifying named points of contact for Universal Credit Service Centre staff.
 - Providing expertise for housing cost issues.
 - Responding to requests for information on UC claimants current housing benefit claim status within 2-5 working days.
 - Complete and return the Migration Gather Proforma (MGP1) (LA) within 5 working days of receipt of the request. A reminder will be issued after this time has lapsed but the non-return of the completed form may result in an incorrect Universal Credit award.
- Support for claimants to make a UC claim on-line. For example, this will be achieved through:
 - - Identifying PC/public internet sites Cambridge.
 - Identifying which of these locations will have trained staff present to provide 'supported access'.
 - Publicising these services to residents of Cambridge;
 - Providing the Management Information to support number of claimants assisted; see section 3.
- Manual processing for LCTRS for as long as is required. This will be achieved through:
 - Providing the necessary resource to undertake this activity;
 - Manually inputting agreed data into the Council's systems;
 - Responding to the Department's queries around Local Council Tax Reduction Scheme;
 - Providing the Management Information; see section 3;
- Support for claimants who require personal budgeting support to manage their UC payments. This will be achieved through:
 - Processing personal budgeting support referrals from the Department including those claimants who have alternative payment arrangements;
 - Identifying the appropriate channel, frequency and provider to deliver personal budgeting support (may not be the Council) and referring the claimant to the right place within the set time frame – set at 2 weeks;
 - Providing (or arranging provision of) telephone or face to face personal budgeting support and follow up action as appropriate;
 - Reporting the outcomes of personal budgeting support provision against the agreed outcome measures by timely completion of LA Outcome Template and Knowledge Check Template to DWP. Details of this process and the associated forms can be found in the L&D pack.

- Providing the Management Information relating to personal budgeting support including the number of claimants assisted; see section 3;
 - Referring claimants to the Department who need personal budgeting support (but have been missed in the core process);
 - Referring claimants to the Department who may need an alternative payment arrangement e.g. because of rent arrears or vulnerability.
- Work with DWP locally in preparing landlords. This will be achieved through:
 - Working with landlords to help get claimants on-line;
 - Signposting landlord queries to the Department for resolution;
 - Promoting the appropriate use of on-line channels within the Registered Social Landlords (RSL) community in Cambridge.

SCHEDULE 2

FUNDING ARRANGEMENTS

The total UC cost under this Delivery Partnership shall not exceed £xxxk for services delivered to 31 March 2017.

This arrangement is designed to support initial roll out only from (insert date).

Funding is linked to the delivery of the agreed services and activities as set out below (as more particularised in Part 2 of Schedule 1).

The full breakdown of the agreed total cost of UC live service roll out in Cambridge City Council is shown in the table below. The volume of claimants using services will be reviewed at the regular partnership meetings. If the actual numbers of claimants requiring these services exceed the stated volumes, the Department and the Council will enter into discussions to re-negotiate and agree any increased funding to reflect the revised volumes and any increased funding will be based on the figures shown on the table.

SCHEDULE 2 cont.

DP Costs	Cost/Volume Assumptions to March 2017	Payment Basis	Maximum cost to 31 March 2017 £k
On-Line supported access (Digital)		volumes	
Personal Budgeting Support		volumes	
LCTRS Manual processes		volumes	
Support for UC Service Centre		volumes	
Management Costs		Reimburse agreed cost on a monthly basis	
One off costs for new LA sites not yet delivering UC, if applicable; Specify details of the agreed expenditure	Details:	Agreed costs which are reasonable and proportionate, not capital, novel or contentious nor paid in advance	
Total (excluding VAT)			
Total (including VAT)			

SCHEDULE 3

INTERPRETATION

Unless the context otherwise requires, the following words and expressions shall have the following meanings:-

“Confidential Information”	means information that ought to be considered as confidential (however it is conveyed or on whatever media it is stored), information the disclosure of which would, or would be likely to, prejudice the legitimate interests of any person, and all Personal Data.
“Council”	means Cambridge City Council/Local Authority.
“Data Controller”	bears the meaning ascribed to it in the Data Protection Act 1998.
“Data Processor”	bears the meaning ascribed to it in the Data Protection Act 1998.
‘Delivery Partnership’	means a collaborative agreement between the Department and a local authority in which they agree to work together to deliver local support services to Universal Credit claimants and for the avoidance of doubt, use of these words or the word “partnership” in the Delivery Partnership is not intended to, or deemed to establish any partnership or joint venture between the Parties to this Delivery Partnership, or constitute on any Party the agent of another party or authorise any Party to make or enter into any commitments for or on behalf of any other party.
“Department”	means the Department for Work and Pensions whose principal place of business is at Caxton House, Tothill Street, London SW1H 9NA.
“Universal Support delivered locally”	sets out the principles for delivering localised support services to people who might need extra help to make or maintain a claim for Universal Credit. Previously known as Local Support Services Framework.
“Management Information”	means information of the kinds mentioned in clause 3.

“Partnership Principles”	means the principles set out in clause 1.5.
“Party”	means the Department and/or the Council and “Parties” shall be interpreted accordingly.
“Personal Data”	bears the meaning ascribed to it in the Data Protection Act 1998.
“Process”	bears the meaning ascribed to it in the Data Protection Act 1998.
“Universal Credit”	bears the meaning ascribed to that expression by the Welfare Reform Act 2012 and shall be interpreted accordingly.
“UC live service”	means the localised Universal Credit claimant support services which are to be provided by the local authority from the start date of the Delivery Partnership to 31 March 2017, an outline of which is set out in Schedule 1.

The interpretation and construction of this DP shall be subject to the following provisions:-

- words importing the singular meaning include where the context so admits the plural meaning and vice versa and words importing the masculine include the feminine and neuter;
- the words "include", "includes" and "including" are to be construed as if they were immediately followed by the words "without limitation";
- headings are included in this DP for ease of reference only and shall not affect the interpretation or construction of this agreement;
- references in this DP to any clause or sub-clause or schedule without further designation shall be construed as a reference to the clause or sub-clause or schedule to this DP so numbered;
- in the event and to the extent only of any conflict between the clauses and the content of the schedules, the clauses shall prevail over the content of the schedules; and
- any reference to a statute, statutory provision or subordinate legislation (“legislation”) shall (except where the context otherwise requires) be construed as referring to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation.

SCHEDULE 4

BUSINESS READINESS CERTIFICATE

Universal Credit, Local Authority Business Readiness Certificate Complete prior to Go-Live Date (<i>Insert Date</i>)	
Local Authority:	Cambridge City Council
Name of the person completing this BRC:	

I can confirm that Cambridge City Council is ready to deliver the services contained within the Delivery Partnership in support of Universal Credit Live Service from (*insert date*).

Signed _____

Date _____

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

Report by: Caroline Ryba, Head of Finance

Relevant scrutiny committee: Strategy & Resources
18/1/2016
Resources
Scrutiny
Committee

Wards affected: All

CONSIDERATION OF AN ETHICAL INVESTMENT POLICY Non-Key Decision

1. Executive summary

1.1 At the meeting of Full Council on 22 October 2015 a motion was passed asking the Head of Finance to:

‘author a report to Strategy and Resources Committee outlining the options for and the opportunities, risks and limitations associated with developing an ethical investment policy, in relation to both direct investments and our Treasury Management Strategy, with a particular emphasis on the issues of companies that are associated with investments in fossil fuels and fossil fuel divestment.’

1.2 This report summarises the issues around developing an ethical investment policy for inclusion in the Treasury Management Strategy and proposes a wording for such a policy.

2. Recommendations

2.1 The Executive Councillor is recommended:

To approve insertion of the following in the Council’s 2015/16 Treasury Management Strategy which is for consideration later at this meeting:

“Cambridge City Council notes the risks to both the planet and Cambridge from climate change and the need to show leadership in advocating a fossil-free future, including its investments. Where

consistent with our fiduciary responsibilities the Council will avoid direct investment in institutions with material links to environmentally harmful activities including fossil fuels.

Cambridge City Council, in making investments through its treasury management function, fully supports the ethos of socially responsible investments. We will actively seek to communicate this support to those institutions we invest in as well as those we are considering investing in by:

- Encouraging those institutions to adopt and publicise policies on socially responsible investments;
- Requesting those institutions to apply those deposits in a socially responsible manner.

Counterparties will be advised of this statement.”

3. Background

Current Treasury Management Policy and Operations

- 3.1 The Council's funds are invested in line with the Treasury Management Strategy agreed before the start of each financial year. The Council invests predominantly in banks, building societies, money market funds and other local authorities. The Council does not have access to information as to where these counterparties place their funds. The Council also has an investment in the CCLA Property Fund which invests in a diversified commercial and industrial property portfolio.
- 3.2 At 30 November 2015 total treasury deposits (including the CCLA fund) are £116.6 million.
- 3.3 As part of its diversified treasury operations the Council does not invest in equity shares or in company debt and therefore does not have any direct investments with any fossil fuel companies. It is currently unlikely that equity investments would be considered due to the risks involved and the statutory requirement for the purchase of equities to be treated as capital expenditure.
- 3.4 It is a requirement that the Council's treasury operations follow the DCLG Guidance on Local Government Investments and the CIPFA Treasury Management in the Public Services: Code of Practice.

- 3.5 Investments should be legal and included within the approved investment strategy. To comply with these requirements investments should prioritise security, liquidity and yield in that order. From a purely treasury management point of view any demand to take into consideration any other priority could lead to investments that are less secure and yield less.
- 3.6 Ethical considerations may also be difficult to evaluate objectively and may require the establishment of complex monitoring arrangements, which will need to rely on external information that is costly or difficult to obtain.

Legal Opinion

- 3.7 In 2014 the Local Government Association obtained legal opinion on behalf of its members on the duties owed by local government pension funds and the factors that they can legitimately take into account when making investment decisions. The view of the Head of Legal is that the principles expressed can apply equally to investment decisions made by local authorities generally.
- 3.8 Public bodies making investments have both fiduciary duties and public law duties (which in practice are likely to come to much the same thing).
- 3.9 The power to invest must be exercised for investment purposes, and not for any wider purpose. Investment decisions must therefore be directed towards what is best for the financial position of the fund (or Council in this case). However, so long as that remains true, the precise choice of investment may be influenced by wider social, ethical or environmental considerations, so long as this does not risk significant financial detriment.
- 3.10 The Council could therefore only use other considerations (including those around ethical considerations and fossil fuels) to choose between investments which were otherwise broadly equivalent in terms of security, liquidity and yield.
- 3.11 The Law Commission also looked at the duty of pension trustees to act solely in the interests of pension fund members (their fiduciary duty) in 2014. The Head of Legal's view is that this does not change the legal opinion given to the Local Government Association. It does not consider the public law overlay, which applies to the exercise of local authority statutory powers; In particular the principle that a power must be exercised primarily for the purpose for which it is given, and not for some ulterior purpose.

3.12 The Law Commission work is useful in considering what can be determined a 'financial factor' in decision making. Environmental, social or governance factors (often referred to as "ESG" factors) may present risks to an organisation's long-term sustainability and can therefore be borne in mind when they may be financially material to a decision.

The Effectiveness of Fossil Fuel Divestment

3.13 Evidence shows that proven fossil fuel reserves are more than three times higher than we can afford to burn in order to stay below the generally agreed threshold for dangerous climate change. Fossil fuel companies are currently planning on extracting these reserves and selling them – and are actively prospecting for more. By supporting these companies, it has been said by various commentators that investors not only continue to fund unsustainable business models that are likely to make climate change worse, but they also risk their financial assets losing value if international agreements on climate change are met.

3.14 A 2103 report by Lord (Nicholas) Stern, a professor at the London School of Economics, and the Think Tank Carbon Tracker, said that far from reducing efforts to develop fossil fuels, the top 200 companies spent \$674bn (£441bn) in 2012 to find and exploit even more new resources, a sum equivalent to 1% of global GDP, which could end up as "stranded" or valueless assets. Stern's landmark 2006 report on the economic impact of climate change – commissioned by the then chancellor, Gordon Brown – concluded that spending 1% of GDP would pay for a transition to a clean and sustainable economy.

3.15 The world's governments have agreed to restrict the global temperature rise to 2°C, beyond which the impacts become severe and unpredictable. But Stern said the investors clearly did not believe action to curb climate change was going to be taken. "They can't believe that and also believe that the markets are sensibly valued now."

3.16 Friends of the Earth contend that "Shareholder engagement can work in some sectors, where the change required does not challenge the companies' core business model, for example getting a company to remove a certain product from its supply chain. Engagement does not work well where the core business model requires change".

- 3.17 Carbon Tracker argues that “true engagement needs the pressure created by divestment. Engagement without divestment is like a criminal legal system without a police force.”
- 3.18 Friends of the Earth go further and suggest that “Engagement is not working on fossil fuel companies, and even if it could, it is believed to be unlikely that UK local authorities could exert adequate influence on them to do so. Divestment is a strategy that will increase pressure for action. Divestment has been successful in the past, for example as part of global efforts aimed at changing the actions of Apartheid South Africa. Divestment helped to increase the political pressure for action. This is happening now on fossil fuels, with thousands of institutions worldwide divesting.”

Wider Ethical Investment Statements

- 3.19 An approach taken by some local authorities, in addition to or instead of a statement around what they will not invest in, is to include an ethical investment statement which applies to all treasury investments made. These statements call on institutions to adopt and publicise ethical investment policies and apply deposits in a socially responsible manner. Those councils adopting such policies include Brighton & Hove City Council and South Kesteven.

Direct Investments Outside of Treasury Activities

- 3.20 The Council can chose to purchase equity shares, outside of its Treasury operations. Such expenditure is treated as capital expenditure by regulation and as such is therefore subject to the Council’s procedures around the approval of capital expenditure. On a case by case basis it would therefore be necessary to consider the powers the Council is relying on to purchase the shares, and therefore what considerations can be bought to bear.

Ethical Investment Policy

- 3.21 Given the legal considerations above the Council cannot prioritise ethical or fossil fuel considerations above those of security, liquidity and yield in its investment decisions. However environmental, social and governance issues (ESG) will themselves impact on these financial considerations to a degree. For example, the Council could choose to not to invest in a company manufacturing products

considered to be harmful to health because the risk of litigation raises questions about future financial performance.

3.22 Recognising the Council's aspirations in respect of climate change, the following could be incorporated into the Treasury Management Statement in respect of direct investments:

"Cambridge City Council notes the risks to both the planet and Cambridge from climate change and the need to show leadership in advocating a fossil-free future, including its investments. Where consistent with our fiduciary responsibilities the Council will avoid direct investment in institutions with material links to environmentally harmful activities including fossil fuels."

In practice this means that security, liquidity and yield considerations being equal, when selecting investments the Council will choose those which are not related to fossil fuels.

3.23 As indicated above the Council does not currently have any direct investments. It is not possible to reliably access information on where our current counterparties invest their funds. In addition to the statement above the Council could also add an investor statement to the Treasury Management Strategy, similar to that adopted by other councils:

'Cambridge City Council, in making investments through its treasury management function, fully supports the ethos of socially responsible investments. We will actively seek to communicate this support to those institutions we invest in as well as those we are considering investing in by:

- Encouraging those institutions to adopt and publicise policies on socially responsible investments;
- Requesting those institutions to apply those deposits in a socially responsible manner.

Counterparties will be advised of this statement.'

4. Implications

(a) **Financial Implications** As outlined in the Legal Opinion section of this report ethical considerations should not override the primary considerations of security, liquidity and yield. There is therefore no

expectation that adoption of an ethical policy will have a financial impact on the Council.

- (b) **Staffing Implications** None
- (c) **Equality and Poverty Implications** None
- (d) **Environmental Implications** +L – low positive impact
- (e) **Procurement** None
- (f) **Consultation and communication** A news release will be prepared on adoption of this policy.
- (g) **Community Safety** None

5. Background papers

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

Nigel Giffin advice to the LGA 2014

6. Inspection of papers

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

Author's Name: Caroline Ryba
Author's Phone Number: 01223 - 458134
Author's Email: caroline.ryba@cambridge.gov.uk

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To: Leader of the Council
Report by: Head of Strategic Housing and Head of Specialist Services
Relevant scrutiny committee: Strategy and Resources
Wards affected: All

Future of Park Street Car Park

Key Decision

1. Executive summary

The Leader of the Council approved the requirements for the redevelopment of the Park Street Car Park at the Strategy and Resources Committee on 12 October 2015. This report addresses specific requests for further work made by the Leader of the Council at the last meeting in respect of preferred tenure mix; preferred development option; how the Council maximise the opportunities to provide housing that is affordable; and whether to build the Affordable Housing itself or to sell it to a Registered Provider. It also confirms that a Planning and Development Brief for the site will be developed and outlines how a final scheme will be brought forward for scrutiny.

2. Recommendations

The Leader of the Council is recommended to:

- a. Note the impact of different tenure mixes on financial return for the Council and that a final scheme for the redevelopment of the Park Street Car Park will be brought back to the Strategy and Resources Committee recommending a tenure mix, budget and development option.
- b. Note that the final scheme will be have been received prior scrutiny from the Council's Capital Programme Board and will be the subject of a Planning and Development Brief agreed with the Council's planning section.

3. Background

The Leader of the Council approved the requirements for the redevelopment of the Park Street Car Park at the Strategy and Resources Committee on 12 October 2015. These are as follows;

- A 250 space underground car park.
- Above ground a mixed development of market, intermediate and social housing, including the option for commercial rental on the ground floor, in conjunction with cycle parking.
- The same or greater number of cycle parking spaces.

In implementing the redevelopment the Council also require regular communications with the local businesses and neighbouring landowners and other local stakeholders and Members. There is a desire to re-open the car park for Christmas 2018 and to effect alternative car parking during the redevelopment period.

The Leader of the Council specifically requested a report to this Committee to further consider;

- a) In addition to those above ground options described in the report to the Committee on 12 October 2015, to also evaluate a further option for a housing mix of 40% social and 60% intermediate housing (the latter funded from the council's general fund for investment return).
- b) In order to establish a realistic assessment of the capacity of the site for above ground development, request the Urban Design Team to prepare a full planning brief, analysing its context and constraints in order to enable development value to be optimised within the planning guidance.
- c) 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.
- d) 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.
- e) Explore the council developing the project itself, producing the social housing as outlined in the report but retaining and letting out the remaining housing.

This report addresses these specific requests in the context of the Council's requirements for the redevelopment.

First, for the sake of clarity the following is a glossary of terms used in this report in respect of tenure types;

AFFORDABLE HOUSING – Sub-market housing that is required within Planning Policy and can include social housing and some forms of intermediate housing (see definitions below).

SOCIAL HOUSING – Housing provided at rent levels that equate to Local Housing Allowance. (Note – Registered Providers are able to set Affordable Rents up to 80% of market rents if they receive grant on a scheme.)

INTERMEDIATE HOUSING;

- **Shared ownership** housing available within affordability guidelines set by the Homes and Communities Agency
- **Intermediate Rent** up to 80% of market rents.

STARTER HOMES – Homes for sale at up to 80% of market value

Note – If the Planning Policy requirement for 40% Affordable Housing is satisfied, the land owner/developer can choose the tenure mix of the other 60% of housing (provided the scheme is within the broader planning framework of sustaining a mixed and balance community).

The questions about what is the preferred tenure mix; what is the preferred mechanism to secure the redevelopment; how does the Council maximise the opportunities to provide housing that is affordable; and whether to build the Affordable Housing itself or to sell it to a registered provider are all inter-related. In order to guide a decision on these matters a 'Base-line Tenure Mix Option' is proposed with four variations. The preferred development routes are either through a Development Agreement with a partner building contractor or through a joint venture agreement. These alternatives are addressed in the procurement section of the report.

At this stage the need to address the capacity of the site (as outlined in b. above) is an important but secondary question. The work to produce a Planning and Development brief will proceed, but there is sufficient evidence based confidence in the current scale and property types used in financial viability analysis to-date for any subsequent changes not to make a material difference to the questions of tenure mix; maximising housing that

is affordable; and development options. An up-date on progress with the production of the Planning and Development Brief is provided later in this report.

When considering the preferred route and alternative options the cost and income figures are those used in the October report except that more current rental data has been used consistent with that used in the business case for the Council's Housing Company. As a reminder, cost data was provided by Bidwells in liaison with Council officers to produce the October report. Also the analysis below excludes the cost of re-providing the car park which as a reminder has been assessed at £9,250,000 and the cost of providing cycle parking and any commercial premises to the ground floor . Other costs associated with alternative car parking while the car park is closed are also excluded. Appendix 1 summarises the cost and income assumptions used in the analysis below.

Base-line Tenure Mix Option

This route makes the following assumptions about the Council's preferred outcomes from the redevelopment;

- Tenure mix of 40% Affordable Housing (as required by Planning Policy) – assume 30% social housing and 10% shared ownership.
- Tenure mix of other housing that maximises the revenue return on the Council's investment as a capital receipt for the Council is currently secondary to a revenue return (a minimum 5% return has been set for use of the Investment for Income Fund).
- Tenure mix of other housing that maximises the provision of housing that is affordable.

The baseline route also assumes that the 40% Affordable Housing is sold to a Registered Provider on a long lease (125 years or more) at a typical market rate. As the Council requires a revenue return as opposed to a capital receipt, the baseline route is for all of the other housing to be made available for intermediate rent at 80% of market rents managed through the Council's new Housing Company.

Financial outcome for the Council;

Capital Receipt (from the sale of the Affordable Housing)
- £4,343,250

Revenue return on investment of £8,409,172 in the intermediate rent
- 3.3% year 1
- 4.7% over 30 years

- 5.1% over 35 years

A variation on the Base-line Tenure Mix Option would be to provide some housing at market rent levels and some at lower than 80% of market rent – say 60% market rent. The following table shows the resulting change in return.

	Baseline	Variant a.	Variant b.	Variant c.	Variant d.
% market rent					
100%	0	14 units	28 units	0	0
80%	28 units	14 units	0	14 units	0
60%	0	0	0	14 units	28 units
Return					
Year 1	3.3%	3.8%	4.3%	2.7%	2.3%
Year 30	4.7%	5.6%	6.4%	3.7%	2.9%
Year to achieve 5%	35	23	12	48	Over 50 years

Planning and Development Brief

The planning policy and urban design teams have been engaged to assist in the preparation of a Brief. The brief will be submitted to the Development Plan Scrutiny Sub-Committee for approval with a target date of March 2016. As well as access, the brief will set the framework for the redevelopment in terms its scale, mass and height and its design in relation to the historic environment.

4. Implications

(a) Financial Implications

Please see Background section of the report above.

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

The Council's Strategic Leadership Team has endorsed that the Housing Development Agency should project manage this scheme reporting to the the Head of Property Services as the Council's lead representative.

(c) Equality and Poverty Implications

These will be considered as part of the final scheme for the redevelopment of the Park Street Car Park will be brought back to the Strategy and Resources Committee recommending a tenure mix, budget and development option.

(d) Environmental Implications

The requirements of then Council in respect of the redevelopment offer to substantially improve the local environment in and around the car park site by reducing the number of car parking spaces but retaining safe and secure cycle parking.

Residential provision will be at least to the equivalent of Level 4 of the Code for Sustainable Homes.

(e) Procurement

Development Options

In general there are five main options to development a site such as Park Street Car Park, although there are potentially variations to each of these options.

1. Disposal (Sale) of the site
2. Traditional Route – Separate commission and funding of design and construction
3. Development Agreement
4. Joint Venture
5. Council as sole developer

Park Street Car Park is a confined site (48 units plus commercial and underground car park) in a high value part of the city (estimated construction cost – £20,000,000 including car park). There are some abnormal construction stage costs eg demolition and the underground car park. The preferred development option is dependent on the Council's view on the preferred tenure mix (including whether there is to be market housing); the extent that the Council has the appetite to cover all of the costs and risks; and whether it has the capacity and skills to manage the development itself or can procure the capacity and skills. In view of the high costs and risks associated with this redevelopment it is not recommended that the Council acts as developer. The site can be developed as an individual scheme under Option 3 or under Option 4.

In simply terms, the decision on which development option is chosen will depend on the degree of risk that the Council chooses to take in developing the scheme balanced by the potential reward (usually financial).

The following are the main risks associated with development (assuming the site is already in the Council's ownership);

A. Pre-planning

Legal constraints – eg existing rights of way; leaseholders; sitting tenants; utility wayleaves; boundary ownership etc.

Physical constraints – eg contamination; soil and sub-structure; topography; drainage; archaeology; ecology etc.

Location constraints – eg highway access; neighbouring land uses; airfield crash zones; flood zones etc.

B. Planning

Achieving planning approval

C. Construction stage

Design and construction – eg selection and performance of property consultants and contractors. Site clearance costs. Site servicing eg provision of gas; electric; water; sewers and site roads. Build cost inflation. Availability of skilled labour and materials.

D. Marketing, sales and lettings

Competition for properties for sale; fall in property values; lack of demand for rented houses etc.

Another key risk is whether the Council has the skills and capacity in its current staff establishment to manage particularly the marketing and sales stage if a development involves market housing. Consideration of tax; legislative and regulation change; and size and complexity of the scheme; who funds the construction period; and the time to develop the site are all important too in relation to the choice of development option.

The vast majority of these risks can be mitigated for a cost.

In terms of reward, planning and property law endorses the view that the more development risk (and potential cost) a developer of land is exposed to the greater their profit should be. Profit margins (often called developer profit) can range between 15% and 30% construction costs. As can be seen from above, there are risks at distinct stages in the development process and different organisations in the development sector make their

business by speculating that they can mitigate the risks at the different stages. A developer will buy a site that does not have a planning approval; will mitigate the legal, physical and locations constraints; will secure a planning approval; will prepare a serviced site and will sell the site on to a house-builder. A fully serviced site with planning approval will have a higher value than when the developer bought the site. A house-builder will buy fully serviced sites and specialise in understanding the housing market and marketing and selling new homes to make their profit. A building contractor makes their business in constructing the houses. In practice some organisations act across the spectrum of developer; house-builder and contractor.

From the Council's point of view, as landowner, it can pass the development risks to a partner developer, house-builder or contractor to a greater or lesser extent under the options 1 to 5 above. However, the more development risk it passes to a partner the more reward the developer; house-builder and contractor sector will expect to receive with the reward being defined as profit margin and increased development value of the scheme. This relationship between risk and reward in the 1 to 5 development options is shown in the following diagram.

In respect of the Park Street Car Park site, as the Council is looking to achieve a 'double bottom line' of a long term revenue return on investment and meeting housing need, straightforward sale of any site can be discounted. The Council prefers revenue income to a capital receipt at this time. Option 2 – the traditional route can be discounted for higher cost higher value schemes as it entails significant up-front cost to procure a design and a building contractor. This route is more suited to schemes where there is not the opportunity to share these costs with a partner than can realise speculative market or commercial development as part of the scheme. Development of the Clay Farm Community Centre is a good example but this is not the case for the Park Street Car Park.

In a Development Agreement (Option 3) the Council can specify which risks it proposes to pass on and asks the market through a tender process to put a price on what it is prepared to pay to realise potential profit and up-lift in the schemes development value. This is a strong option if the Council wishes to de-risk the development of individual schemes and would prefer to fix its costs and return and to pass on development reward.

Under Option 4 – a joint venture – the Council would agree from the outset which risk it will share with a partner and will therefore share that some of the rewards will not be realised. (Note – Option 3 is applicable to individual schemes whereas a joint venture can cover more than one scheme)

Option 5 is not applicable if there is no market housing on the site as there will be no developer profit. If the Council chooses to require some market housing and develop the scheme itself, it will accept the cost of mitigating all of the risks and will retain the developer profit and will speculate on the uplift in development value. This is not an option that the Council has any direct experience on relation to large, complex and high value sites.

To help quantify the cost of risk mitigation and the extent of the reward, the following table analyses this and compares Options 3 to 5 based on costs provided by Bidwells for the Park Street scheme.

	Option 3 – Development Agreement	Option 4 – Joint Venture	Option 5 – Council as Developer
COST RISK			
Pre-planning – estimate say £50,000 - £100,000	To de-risk completely the partner can be required to cover all of these costs.	The partner would usually be expected to cover all of these costs – but see impact on ‘Reward’ below.	The Council would need to fund these costs up-front.
Planning – estimate £500,000 including section 106 and public art costs	The partner can be required to cover all of these costs but it is usual for the ‘market’ to expect that some of the costs will be shared if a scheme does not achieve a planning approval.	The partner would usually be expected to cover all of these costs – but see impact on ‘Reward’ below.	The Council would need to fund these costs up-front.
Construction – estimate £9m to £10m.	The partner can be required to source and manage the construction and cover all of these costs. The partner may have a construction arm.	The partner would usually be expected to source and manage the construction and cover all of these costs. The partner may have a construction arm – but see	The Council would need to fund these costs up-front and would need to source and manage the construction. (Note – construction companies will

		impact on 'Reward' below.	typically apply a 6% profit on construction contracts depending on the complexity of the build.
Marketing and Sales. Estimate 1.5% of market value of any homes for sale.	The partner can be required to cover all of these costs.	The partner would usually be expected to cover all of these costs – but see impact on 'Reward' below.	The Council would need to fund these costs.
Development Finance – who funds the construction period costs – interest estimate £600,000	The partner can be required to cover all of these costs.	The partner would usually be expected to cover all of these costs – but see impact on 'Reward' below.	The Council would need to fund these costs.
REWARD			
Developer Profit – estimate £3,000,000 (NOTE – ONLY APPLICABLE IF THERE IS MARKET HOUSING).	If the Council is requiring the partner to cover all of the risks and costs as above, the 'market' would expect the partner to retain the Developer Profit although this can be 'capped' in a rising property market.	Depending on the extent that the joint venture agreement provides for the risks and costs to be shared, the Developer Profit can be shared eg 50:50 - £1,500,000.	The Council would retain the Developer Profit or in other words, does not have to pay the Developer Profit.
POTENTIAL REWARD TO COUNCIL	Land Value	Land Value plus £1,500,000	Land Value plus £3,000,000
POTENTIAL REWARD TO PARTNER	£3,000,000	£1,500,000	£0

While the rewards of development can be high, this reflects the inherent risks involved. The above example gives an indication of potential

differences in reward between the various development options. The Council could achieve an additional profit of about £1.5m from acting as a developer assuming everything goes to plan. If the costs vary by 10-15%, however, this additional profit is soon reduced. Some aspects of the development appraisal are very sensitive to small changes with relatively large effect on values. For example, a change in yield (rate of return) from 5.5% to 6% can reduce capital value by about 8%.

Developers are experts in managing these risks and driving out profits from schemes. They decide which aspects of the development process they will undertake and which aspects they will pass to others where they perceive others can better manage risk. For more complex or higher value schemes, without development expertise or appropriate resource, as well as the cost risks set out above, there is also a risk that failure to manage the development process in a timely way or deal with unforeseen events as they arise can quickly increase costs.

Development partners bring expertise, resource and experience to schemes. They can also help with pace due to the relative size of their organisation and ability to call in resource when required.

There will be some direct costs incurred by the City Council whatever development option is chosen to, for example, cover any procurement costs and legal costs to set up a contract with the partner and project management through the Housing Development Agency.

(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 project is intended to have a neutral impact on Community Safety.

5. Background papers

None

6. Appendices

Appendix 1 summarises the cost and income assumptions used in the analysis below.

7. Inspection of papers

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

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Appendix 1 - Summary of Cost and Income Assumptions

1. Property Mix (As per Bidwells report)

Affordable Housing

- 10 one bedroom
- 10 two bedroom

Other Housing

- 14 one bedroom
- 14 two bedroom

2. Market rents (Based on Home-track data at July 2015 using upper quartile)

One bedroom - £219 per week
Two bedroom - £298 per week

3. Cost of Residential (As per Bidwells report)

Build and On-costs - £12,687,648