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## Cambridge City Council

### THE EXECUTIVE

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

*Despatched: Wednesday, 13 January 2016*

**Date:** Thursday, 21 January 2016

**Time:** 6.00 pm

**Venue:** Committee Room 1 & 2, The Guildhall, Market Square, Cambridge, CB2 3QJ

**Contact:** James Goddard

**Direct Dial:** 01223 457013

### AGENDA

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

**1 Apologies for absence**

**2 Declarations of Interest**

**3 Minutes of the previous meeting (*Pages 5 - 10*)**

**4 Public Questions**

**5 Budget Setting Report 2016/17 (*Pages 11 - 14*)**

The Budget-Setting Report (BSR) 2016/17 and the BSR document can be accessed via the following links:

<http://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=159&MIId=2874&Ver=4>

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

## Meeting Information

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

22 January 2015

6.00pm - 6.56 pm

**Present:** Councillors Herbert (Chair), O'Reilly (Vice-Chair), Blencowe, Johnson, Owers, Price and Roberts

### **Officers Present:**

Director of Environment – Simon Payne

Director of Customer and Community Services: Liz Bisset

Director of Business Transformation: Ray Ward

Head of Finance: Caroline Ryba

Committee Manager – Glenn Burgess

### **Other Councillors in attendance:**

Councillor Bick

Councillor Smart

Councillor Pitt

Councillor Blackhurst

## FOR THE INFORMATION OF THE COUNCIL

### **15/1/01 Apologies for absence**

There were no apologies.

### **15/2/01 Declarations of Interest**

No interests were declared.

### **15/3/01 Minutes of the previous meeting**

The minutes of the meeting held on 23 January 2014 were approved and signed as a correct record.

### **15/4/01 Public Questions**

There were no public questions.

**15/5/01 Budget Setting Report February 2015 (Executive)**

The committee noted the officer's report.

The Executive and Officers received the following questions:

- i. Councillor Bick asked if the Executive Councillor was satisfied that the shared service savings were aggressive enough. The Executive Councillor for Finance and Resources responded that the proposed figures were conservative estimates and it was expected that some areas, such as Legal Services, may produce higher savings. It was better to take a cautious approach rather than an overambitious one at this stage.
- ii. Councillor Smart noted that the four main themes of the transformation programme made no mention of the Council's previous aim to 'get right first time, those things that we only have one opportunity to do'. She asked if this was no longer deemed a priority. The Leader responded that the proposed budget clearly showed the Labour Groups commitment to delivering core services and progressing longer term growth strategies such as Clay Farm and community facilities in the North West. The Executive Councillor for Finance and Resources responded that it was obvious that the Council had an ongoing commitment to get things right 'first time'.
- iii. Councillor Pitt highlighted a £1m inconsistency between the BSR and the related appendices regarding Direct Revenue Financing (DFR) and asked why this had not been picked up. The Head of Finance responded that officers were aware of the difference, which does not impact on the budget's overall calculations, and that this would be amended prior to Full Council. The Executive Councillor for Finance and Resources responded that the narrative and financial tables within the BSR were correct, and that the only error was one item being omitted from the appendices, which stand alone and do not affect the overall budget figures.
- iv. Councillor Bick asked for clarification on the process to rectify this error. The Head of Finance responded that, as in previous years, the BSR and any budget amendments would be further discussed at the Strategy and Resources Scrutiny Committee on 13 February 2015 before being formally approved at Council on 26 February 2015.
- ii. Councillor Bick asked for clarity on the proposed changes to the Capital Plan process. The Executive Councillor for Finance and Resources responded that in the past many projects had been added with little or no business case and the new prioritisation process would address this.

Whilst the Council needed to be aware of projects upcoming for the Capital Plan, having large sums of money allocated for projects that had not been fully worked up was a luxury the Council could no longer afford. It was hoped that a more disciplined process would receive cross-party support.

- iii Councillor Bick asked if the public would see a difference as a result of the proposed savings to the Repairs and Renewals (R&R) budgets. The Executive Councillor for City Centre and Public Places responded that, in some areas such as play equipment, the public may see a difference. Whilst a lot of improvements had been made to play areas, with limited R&R budgets, this approach may need to be revised.
- iiii Councillor Bick asked how public consultation would be managed for Capital Projects. The Executive Councillor for City Centre and Public Places responded that, depending on the particular project, consultation may take place before or after it had been added to the Capital Plan. On occasion it could also take place before and after.
- iv Councillor Smart asked for clarity on the Shared Planning Service (PROG3747) and the Shared Planning and Building Control Service (PROG3748). The Executive Councillor for Planning Policy and Transport responded that these are two separate proposals – one for a Shared Planning Service and one for a shared model for Building Control. For clarity it was agreed that the word ‘planning’ would be removed from PROG3748.
- iv Councillor Bick asked for more information on the proposal to include Huntingdonshire District Council (HDC) in the Shared Planning Service. The Executive Councillor for Planning Policy and Transport responded that, whilst South Cambridgeshire District Council (SCDC) would be the obvious partner, HDC had also expressed an interest in being involved. As the City Council already shared a CCTV Service, and the potential savings would increase with three planning partners, it was deemed worthy of further investigation. The Leader confirmed that there would be a commitment to retaining a site in each of the three areas and added that there would be some shared experiences between the three authorities regarding growth and transport. A wider pool of knowledge amongst officers would also be beneficial. The commitment remained to have a joint Local Plan in place with SCDC by 2019.
- ivi Councillor Pitt highlighted the omission of public conveniences for the Projects Under Development (PUD) list in the BSR appendices. The Executive Councillor for Finance and Resources responded that this had already been picked up and would be corrected for Full Council.
- ivii Councillor Bick asked if the reduction in the core funding for maternity leave would put pressure on services and staff. The Executive

Councillor Finance and Resources responded that, whilst a £75k central provision would be retained, it was good practice to manage any additional costs through individual service budgets. The budget had been historically underspent and it was felt that the £75k would be sufficient. Regular reviews would be undertaken. The Executive Councillor agreed to speak with the Human Resources Department to ensure staff felt no additional pressure to come back to work early.

- iviii Councillor Blackhurst asked the rationale for introducing a self-service voice activated telephone switchboard (PROG3558 and PROG 3561). The Executive Councillor for Finance and Resources responded that having an automated service for routine enquiries would free up highly skilled Customer Service Advisors to deal with the more complex and urgent calls. This followed good practice from other Local Authorities and callers would still be given an option to speak to an advisor if they preferred. The Leader added that the Head of Customer Services had tested the proposed system and Councillors would also have an opportunity to do so prior to implementation.

The Executive resolved **unanimously** to:

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

**General Fund Revenue Budgets: [Section 5, page 28 of the BSR refers]**

a) Recommend to Council approval of:

- Revenue Pressures shown in Appendix B(a) and Savings shown in Appendix B(b).
- Priority Policy Fund (PPF) Bids as shown in Appendix B(c).
- Bids to be funded from External or Earmarked Funds as shown in Appendix B(d).
- Non Cash Limit items as shown in Appendix B(e).

b) Recommend to Council formally confirm delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) as set out in Appendix A(a).

c) Recommend to Council the level of Council Tax for 2015/16 as set out in Section 4 [page 26 refers].

Note that the Cambridgeshire Police and Crime Panel will meet on 28 January 2015 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 12 February 2015 and Cambridgeshire County Council will meet on 17 February 2015 to consider the amounts in precepts to be issued to the City Council for the year 2015/16.

### Other Revenue:

d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

e) Recommend to Council approval of an amendment to the remit for the “Sharing Prosperity Fund” so that the revised remit (changes are underlined) is:

#### **Sharing Prosperity Fund Formal Remit:**

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

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

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

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

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

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

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

**Capital: [Section 7, page 35 of the BSR refers]**

**Capital Plan:**

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

g) Recommend to Council the revised Capital Plan as set out in Appendix D(c), the Projects Under Development and Hold lists set out in Appendices D(d) and D(e) respectively and the Funding as set out in Section 7, page 41 for the General Fund.

**General Fund Reserves:**

(i) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 6, report page 34 and Section 8, page 46 refers].

The meeting ended at 6.56 pm

**CHAIR**



To: The Leader: Councillor Lewis Herbert  
Report by: Head of Finance  
Relevant scrutiny committee: The Executive 21 January 2016  
Wards affected: All Wards

## Budget-Setting Report (BSR) 2016/17

### Key Decision

#### 1. Executive summary

##### Overview of Budget-Setting Report

- 1.1 At this stage in the 2016/17 budget process the range of assumptions on which the Mid-Year Forecast (MFR) was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for the budget considerations.
- 1.2 The Budget-Setting Report (BSR), which is attached, provides an overview of the review of the key assumptions. It includes the detailed revenue bids and savings and sets out the key parameters for the detailed recommendations and budget finalisation being considered at this meeting. This report reflects The Executive's final budget recommendations to Council, for consideration at its meeting on 25 February 2016.
- 1.3 The recommendations that follow refer to the strategy outlined in the BSR and all references to Appendices, pages and sections relate to the Budget-Setting Report 2016/17 (Version 1 – Strategy & Resources) as reported to and recommended by the Strategy & Resources Scrutiny Committee on 18 January 2016.

#### 2. Recommendations

The Executive recommends the Budget Setting Report 2016/7 to Council on 25 February 2016, subject to any amendments at the Strategy & Resources Scrutiny Committee meeting on 18 January 2016, namely:

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

a) Agree any recommendations for submission to the Executive in respect of:

- Revenue Pressures shown in Appendix B(a) and Savings shown in Appendix B(b).

- Bids to be funded from External or Earmarked Funds as shown in Appendix B(c).
  - Non Cash Limit items as shown in Appendix B(d).
- b) Recommend to Council formally confirming delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) as set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2016/17 as set out in Section 4 [page 25 refers].

*Note that the Cambridgeshire Police and Crime Panel will meet on 3 February 2016 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 11 February 2016 and Cambridgeshire County Council will meet on 16 February 2016 to consider the amounts in precepts to be issued to the City Council for the year 2016/17.*

**Other Revenue:**

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- e) Recommend to Council approval of the new remit for the “Invest for Income Earmarked Reserve” [page 22 refers].
- f) Recommend to Council approval of the new remit for the “Office accommodation strategy fund” [page 25 refers].

**Capital: [Section 7, page 33 refers]**

**Capital Plan:**

- g) Recommend to Council the proposals outlined in Appendix D(a) for inclusion in the Capital Plan, or put on the Projects Under Development List, including any additional use of revenue resources required.
- h) Recommend to Council the revised Capital Plan for the General Fund as set out in Appendix D(c), the Funding as set out in Section 7, page 37 and note the Projects Under Development list set out in Appendix D(d).

**General Fund Reserves:**

- i) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 8, page 40 refers].

### 3. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have financial, staffing, equality and poverty, environmental, procurement, consultation and communication and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

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

Financial implications of budget proposals are summarised in the Budget-Setting Report 2016/17.

#### (b) **Staffing Implications**

See text above

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

A consolidated Equalities Impact Assessment is included at Appendix F in the attached Budget Setting Report 2016/17. Individual Equality Impact Assessments have been conducted to support this, and will be available on the Council's website.

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

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

#### (e) **Procurement Implications**

Any procurement implications will be outlined in the Budget Setting Report 2016/17.

#### (f) **Consultation and Communication Implications**

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/budget-consultation>

**(g) Community Safety Implications**

Any community safety implications will be outlined in the Budget Setting Report 2016/17.

**4. Background papers**

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

- Budget Setting Report 2016/17
- Mid-Year Financial Review (MFR) 2015
- Individual Equalities Impact Assessments

**5. Appendices**

In this Report:

- Budget-setting Report 2016/17 Version 1, February 2016 (covering 2015/16 to 2020/21)

**6. Inspection of papers**

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

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