

Public Document Pack

NOTICE OF COUNCIL MEETING - 23 FEBRUARY 2017

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ on Thursday, 23 February 2017 at 6.00 pm and I hereby summon you to attend.

Dated 15 February 2017

Yours faithfully

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

Chief Executive

Agenda

- 1 To approve as a correct record the minutes of the meetings held on 20 October and 22 November 2016**

(Pages 9 - 42)

- 2 Mayors Announcements**

- 3 Public Questions Time**

See the foot of the agenda for details of the scheme

- 4 To consider the recommendations of the Executive for Adoption**

4a 2017/18 Housing Revenue Account (HRA) Budget Setting Report (Executive Councillor for Housing)

(Pages 43 - 148)

4b Annual Treasury Management Strategy Statement Report 2017/18 to 2021/22 (Executive Councillor for Finance and Resources)

(Pages 149 - 170)

5 To Consider Budget Recommendations of the Executive for Adoption

5a Proposed Revenue and Capital Budgets - 2015/16 (Revised), 2016/17 (Budget & Council Tax) and 2017/18 (Forecast)

(Pages 171 - 288)

5b Liberal Democrat Group Amendment to the Executive Budget Recommendations

(Pages 289 - 318)

6 Cambridge Local Plan Examination - Further Proposed Modifications For Student Accommodation, Gypsies and Travellers, and Accessible Homes (Executive Councillor for Planning Policy and Transport)

The 'Cambridge Local Plan Examination - Further Proposed Modifications for Student Accommodation, Gypsies and Travellers, and Accessible Homes' document is too large to attach to the agenda in hard copy format. The main report and appendices are published on the Council's website:

<http://democracy.cambridge.gov.uk/ecSDDisplay.aspx?NAME=SD1379&ID=1379&RPID=51279812&sch=doc&cat=13356&path=13020%2c13021%2c13042%2c13356>

7 To consider the recommendations of Committees for Adoption

7a Pay Policy Statement 2017/18

(Pages 319 - 336)

8 Shadow Combined Authority

(Pages 337 - 346)

9 To deal with Oral Questions

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

10a Councillor Smart: Ensuring Non-UK EU Residents Can Stay in Cambridge

Further to the motion we passed in July 2016, this Council is even more determined in 2017 to support over 9,000 EU non-UK Cambridge residents and to defend their right to continue to live and work here. On behalf of our community, Cambridge City Council reiterates our demand that EU citizens already here in Cambridge be immediately granted the right to remain in the UK.

When a majority voted to leave the EU, their right to continue to live in Cambridge was thrown into jeopardy. Since then, Home Office Minister James Brokenshire has said that the government cannot commit to reassure European Union nationals that they will be able to remain in Britain in the coming years, despite the number of MPs voting for this amendment to the Brexit legislation.

In our multicultural city we are proud of our diverse local population. The EU nationals living in Cambridge have settled here, have made a home here, are wives, husband's partners and Councillors, have children who attend local schools, and are our friends and neighbours.

The 9,000 living in Cambridge include thousands who are also employees in key jobs locally. At Addenbrookes 12% of staff are from other EU countries, as indeed are 27% of post-doctoral researchers at Cambridge University. The lack of clarity spells unacceptable uncertainty not just for them but for the Cambridge economy, and at a time when the Council wants to see Cambridge continue to welcome further EU citizens and students coming to our city.

This Council resolves to write to the two Cambridge MP's; to Daniel Zeichner MP to support him in his resolve to champion this issue, to Heidi Allen MP to ask for her support, and to seek more than last year's one line response from the Prime Minister. Instead we demand a commitment to the clear right of our 9,000 plus EU non-UK Cambridge citizens to obtain permanent residence rights here in Cambridge.

10b Councillor Adey: Refugees

As Cambridge works toward a target of welcoming 100 refugees from Syria, Council wishes to place on record....

Our thanks to all the local groups that have been working to aid refugees. Both those arriving in Cambridge, and those refugees further afield. Many in this city are showing that compassion and understanding of this dreadful ongoing situation, which is indeed a core British value. Not only do they hold out their arms to these refugees, but they roll up their sleeves and work to assist them.

Council notes with disgust the change of tack by Government in respect of child refugees. This commitment must be met, and continued. Council feels that the people of this city would expect us to make this very plain to Govt.

Council asks the Mayor to organise a civic reception, for these local groups, so that we can very publicly support their work, and express our appreciation. Council notes that no such reception or welcome will be extended by this City to those, of whatever standing, who abandon basic human rights, and seek to build walls against

refugees.

Council also asks our neighbouring local authorities to formally join in the Government scheme to accept Syrian refugees.

Council further asks the Government to review, and increase the numbers being accepted into the UK under the scheme.

11 Written Questions

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

12 Urgent Decision

12a Server Room Consolidation

Part 4C section 6.1 of the Councils Constitution provides that individual members of the Executive 'may take a decision which is contrary or not wholly in accordance with the budget approved by the full Council if the decision is a matter of urgency'. The decision is reported to Council for information purposes only.

(Pages 347 - 348)

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.

Public Participation

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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COUNCIL

20 October 2016

6.00 - 10.35 pm

Present: Councillors Abbott, Adey, Austin, Avery, Baigent, Barnett, Benstead, Bick, Bird, Blencowe, Cantrill, Gawthrope, Gehring, Gillespie, Hart, Herbert, Hipkin, Holland, Holt, Johnson, R. Moore, T. Moore, Nethsingha, O'Connell, O'Reilly, Page-Croft, Perry, Pippas, Price, Ratcliffe, Roberts, Robertson, Sargeant, Sarris, Sinnott, Smart, Smith, Todd-Jones and Tunnacliffe

FOR THE INFORMATION OF THE COUNCIL

16/13/CNL To approve as a correct record the minutes of the meeting held on the 27 June and 14 July 2016.

The minutes of the 27 June and 14 July were confirmed as a correct record and signed by the Mayor.

16/14/CNL Mayors Announcements

APOLOGIES

Apologies were been received from Councillors Dryden, Ashton and McPherson.

MAYOR'S DAY OUT

The annual outing for senior citizens to Great Yarmouth in August was once again a huge success and the Mayor thanked those councillors who helped with stewarding.

REMEMBRANCE

The Mayor reminded Councillors that the Remembrance Sunday civic service would take place on Sunday 13 November at Great St. Marys Church at 10:55am. The Mayor asked that any members who wanted to attend let the Sergeant-at-Mace know that evening.

The Mayor confirmed that he would be laying a wreath on behalf of the City at the War Memorial at 10.30am.

A two minutes silence would be observed in front of the Guildhall on Friday 11 November at 11am.

EXTRAORDINARY COUNCIL MEETING

The Mayor asked Councillors to note the different day and time for the extraordinary Council meeting scheduled to take place on Tuesday 15th November at 7pm.

STRATEGIC DIRECTOR - RAY WARD

The Mayor and Group Leaders thanked Ray Ward (Strategic Director) for his contributions to the City Council wished him well in his new role at Oldham Council.

CHEVYN SERVICE

The Mayor confirmed that the Chevyn Sermon would take place on Sunday 29 January 2017.

DECLARATIONS OF INTEREST

Name	Item	Interest
Councillor Smith	16/20/CNLc	Personal: Was a teacher and was on the Governing Body at Parkside and Coleridge school.
Councillor Perry	16/20/CNLc	Personal: Teacher
Councillor T. Moore	16/20/CNLc	Personal: Governor at Netherhall School
Councillor Austin	16/20/CNLc	Personal: Independent Education Consultant and is a Governor at 2 schools in Cambridge.

16/15/CNL Public Questions Time

Members of the public asked a number of questions, as set out below:

1. Eleanor Lad raised the following points:
 - i. She had attended and spoken as a National Bargee Travellers Association (NBTA) representative at the 10 October 2016 Strategy and Resources Scrutiny Committee (S&R) meeting.
 - ii. She attended the Council meeting on behalf of her children and students.

- iii. She had pushed for her family to have the right to moor.
- iv. Expressed disappointment with the decision made at the S&R Scrutiny Committee meeting for the consultation to proceed.
- v. Commented that rowers were the problem on the river.
- vi. Commented that the move of moorings from Community Services Scrutiny Committee to Strategy and Resources Scrutiny Committee was motivated by a Council focus on income.
- vii. The moorings should be allocated on a need basis.
- viii. Commented that some people rented out their boats on Council moorings.
- ix. Was waiting for confirmation of a meeting with the Council and NBTA.
- x. She was living one day at a time, unsure whether she was going to be made homeless.

The Executive Councillor for Finance and Resources responded:

- i. He confirmed that no decisions had been made on the moorings issue.
- ii. The views of the riverboat community were being listened to.
- iii. The moorings issue would be brought back to the Strategy and Resources Scrutiny Committee in March 2017.
- iv. There were some mooring areas that were not safe and some individuals may need to be moved, but he would ensure that those people were relocated.

Eleanor Lad made the following supplementary points:

- i. She had received a letter from the Council which stated that if she moved onto Council land then she would be evicted from the river.
- ii. Living on the river was a sustainable off grid solution which should be applauded.

The Executive Councillor for Finance and Resources responded that he was unaware of the letter referred to, but it did not relate to the issues contained within the consultation.

2. Anthony Carpen raised the following points:

- i. He hoped that Councillors had had the chance to view the videos of the MPs Heidi Allen and Daniel Zeichner previously circulated to the Council on the issue of public questions
<https://www.youtube.com/watch?v=3MNWMNIKgGA> and
<https://www.youtube.com/watch?v=rQjHxYMeXKk&t=22m00s>.
- ii. The amount of time spent on public questions at meetings had become substantial, 2 hours was spent on public questions at the last City Deal

meeting. He asked that councillors and the City Deal authorities considered why so many people were taking time out to ask so many questions, what changes to controls, systems and processes were being made to deal with the substance of the issues raised.

- iii. He asked if the limitation of public questions to 300 words took into account appendices such as maps and illustrations.
- iv. He commented that the lack of deliberative/discussion space had been an issue for the City Deal from the very start. It had been demonstrated through *Be the change - Cambridge* that open discussion space as a concept worked. Reference was made to Ms Allen MP who had made remarks to the City Deal Board on 14 October that the people of greater Cambridge wanted to help.
- v. Referred to the county council's systems and processes that prevented individuals from getting involved.
- vi. He asked what efforts the City Council would make to persuade City Deal authorities to change their systems and processes as requested by Mr Zeichner MP so that individuals can all take part in what he called municipal problem solving.
- vii. He welcomed improvements that had been made in communications forums.
- viii. He called on the City Deal to clarify the rules on filming meetings, given that he had been unable to film a Planning Inspectors meeting at the Guildhall.

The Leader responded:

- i. 3 ¼ hours had been spent on discussing the A428 issues, full opportunity had been given to consider the item at the last City Deal meeting.
- ii. He had written to the MPs and confirmed that a discussion should be held about the flexibility of City Deal spend and governance.
- iii. In terms of public speaking at City Deal meetings, there was no problem in attaching diagrams, some people already provided web links.
- iv. He was not aware of any problems with filming at City Deal meetings and would look into the issue raised about the Planning Inspector meeting.

As a supplementary point Anthony Carpen urged Councillors to consider open space sessions as there were lots of the public who wanted to get involved with issues and shared problem sorting actually worked.

3. Andrew Osbourne raised the following points:

- i. Asked if the Executive Councillor for Finance and Resources was aware that many people who lived in houseboats moored on the riverside

railings had become nervous and fearful about their housing situation, specifically that the proposition in the consultation document which had been published would deprive them of their continued residence within the city of Cambridge.

- ii. Asked if the Executive Councillor agreed with him, and submissions from riverboat residents expressed at the 10 October Strategy and Resources Scrutiny Committee meeting that the consultation should be discontinued immediately. Discussions should be opened with the houseboat dwelling community regarding a new consultation that addressed their concerns and did not threaten the riverside boaters with eviction from their current moorings.
- iii. He stated that the moorings policy was inconsistent with the stated aims of the Executive Councillor for Housing to defend the provision of housing for low income workers in the city.

The Executive Councillor for Finance and Resources responded:

- i. He confirmed that no decisions had been made, and no decisions would be made, until the outcome of the consultation.
- ii. If people living on houseboats had to be relocated then they would be relocated within the City, if necessary the number of mooring spaces would be extended.

As a supplementary point Andrew Osbourne asked Councillors to stand up and fight for peoples' rights.

4. Rosie Tattersall said that boaters only became aware of the proposals being made in relation to mooring when they read about the proposals in the paper. She asked whether this was an acceptable way to treat residents.

The Executive Councillor for Finance and Resources responded with the following:

- i. A report was taken to the Strategy and Resources Scrutiny Committee for a discussion on whether the consultation should go ahead. This was agreed and the Council was following its usual consultation process.
- ii. He would ensure that everyone would have the opportunity to respond and participate in the consultation.

Rosie Tattersall made the following supplementary points:

- i. She resented the fact that the Executive Councillor talked to the newspaper about a sensitive issue before talking to those individuals who were directly affected by the proposals.

- ii. She had also written a letter to the Executive Councillor and had received a generic response which she felt was not acceptable and did not address the issues raised in her letter.

The Executive Councillor for Finance and Resources responded:

- i. Council procedures had been followed.
- ii. Items on a Committee agenda were sometimes followed by a press release.
- iii. Encouraged the public to play a part in the consultation.

5. Nicola Terry raised the following points:

- i. Transition Cambridge would be delighted to work with the Council to help achieve the Zero Carbon goal as soon as possible. There were many individuals, households and companies who had achieved carbon saving and they were keen to discuss further roll out to the wider public.
- ii. Transition Cambridge applauded the work that had already been done, for example all the homes that had been insulated through the Green Deal Communities fund (close to 1000 homes in Cambridgeshire). There were also examples of carbon savings achieved through Cambridge Retrofit, MLEI and other projects.
- iii. Cambridge City Council had switched to a 100% green electricity supplier which was great news.
- iv. The above examples could be used as a platform on which to build and engage more people however there was a need to reach more people, for example through the proposed Sustainability Festival.
- v. The Committee for Climate Change said it was essential to build up the supply chain for making general efficiency savings in order to reduce emissions by 2050. Cambridge was in a good situation to lead the way on this and Transition Cambridge wanted to be a part of this.

The Executive Councillor for Finance and Resources responded with the following:

- i. He had enjoyed working with Carbon Footprint and Transition Cambridge and would like to continue to do so.
- ii. A seminar would be held in the future to look at how the Council could move to more efficient use of energy.

6. Mark Evans raised the following points:

- i. He was a Riverside resident and thought that the mooring consultation was flawed. A lot of emotion had been stirred up and un-due stress had been caused by the consultation.

- ii. As the issue of health and safety had been raised, he asked where the statistics were for accidents on the river.
- iii. Asked if the Council would consider pulling the consultation as it was causing too much stress for residents.
- iv. Asked for a meeting to be organised with stakeholders as the consultation had caused mass hysteria.

The Executive Councillor for Finance and Resources responded with the following:

- i. There were boat access problems at Riverside and it was an accident waiting to happen.
- ii. The Council had a duty of care and safety concerns could not be ignored, this was what the consultation was looking into.
- iii. He was planning to meet with groups (Cam Boaters) and other individuals if they wanted to.

Mark Evans made the following supplementary points:

- i. At the last consultation £75,000 had been put aside for Riverside.
- ii. Asked what had happened to this funding.

The Executive Councillor for Finance and Resources responded with the following:

- i. He confirmed as far as he was aware no funding had been set aside.
- ii. He wanted to improve amenities once financial issues had been resolved. For example mooring rings, pump stations and post boxes.

7. Anthony Carpen raised the following points:

- i. Referred to p6 of the Community Safety Strategic Assessment https://www.cambridge.gov.uk/sites/default/files/agenda_item_11_-_sa_asb_vulnerablegroups_201617_q2.pdf which stated that 'Lessons learnt from the Anti-Social Behaviour concerns in the CB1 development were valuable and should be shared with planners within the Cambridge City Council and the Cambridgeshire County Council, so that the same situations might be avoided in similar future developments. It was recommended that information and progress was shared to these departments through presentations and briefing papers.
- ii. He asked what lessons had been learnt and what changes to guidance, systems and processes have been made.
- iii. He also asked if the Council would be writing to developers who had submitted major developments in and around Cambridge highlighting the lessons learnt.

The Executive Councillor for Planning Policy and Transport responded with the following:

- i. The report referred to a strategic assessment carried out by the Cambridgeshire Research Group on behalf of the Cambridge Community Safety Partnership which contained a number of recommendations around issues of anti-social behaviour around the new flats developed on the CB1 site.
- ii. It was not the Community Safety Partnership's role to tackle crime (they were not an enforcement authority); they would consider the report and make recommendations to appropriate authorities.
- iii. As a sensible Planning Authority the points would be taken on board.

Re-Ordering 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.

16/16/CNL To consider the recommendations of the Executive for Adoption

16/16/CNLa Housing Revenue Account (HRA) Medium Term Financial Strategy (Executive Councillor for Housing)

Council was recommended to approve proposals for changes in existing housing capital budgets as set out on the agenda.

Councillor Avery proposed and Councillor O'Connell seconded the following amendment (additional text underlined):

- ii. Request the Executive Councillor for Housing to instruct officers to bring forward a scheme for the Anstey Way site for scrutiny at the next Housing Scrutiny Committee meeting and for incorporation in the budget plan

On a show of hands the amendment was lost by 14 votes to 25.

Resolved (by 25 votes to 0) to:

Approve proposals for changes in existing housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix E of the document, with the resulting position summarised in Appendix H.

16/16/CNLb Treasury Management Half Yearly Update Report 2016/17 (Executive Councillor For Finance and Resources)

Council was recommended to approve the recommendations set out in the Strategy and Resources Scrutiny Committee adoption minute for the Treasury Management Half Yearly Update report 2016/17 as set out on the agenda.

Councillor Cantrill proposed and Councillor Bick seconded the following amendment (additional text underlined):

2.6 Request a report from officers on the implications (including asset allocation) of internal lending from the Council's treasury funds for the purpose of the acquisition of physical property assets

On a show of hands the amendment was carried unanimously.

Resolved (by 34 votes to 0) to:

- i. Approve the Treasury Management Half Yearly Update Report, 2016/17 which included the Council's estimated Prudential and Treasury Indicators 2016/17 to 2019/20.
- ii. Approve amendments to the Counterparty limits as follows:

Name	Recommended Limit (£)
Enhanced Cash Funds (Standard & Poor's: AAf/S1, Fitch AAA/V1)	10m (in each fund)
CCLA Local Authorities' Property Fund	15m

- iii. Increase the upper limit on principal sums to be deposited for over 1 year to £50m.
- iv. Approve an amendment to the Minimum Revenue Provision Policy for 2016/17.

- v. Agree to remove Deutsche Bank from the CounterParty list.
- vi. Request a report from officers on the implications (including asset allocation) of internal lending from the Council's treasury funds for the purpose of the acquisition of physical property assets.

16/16/CNLC Medium Term Financial Strategy (MTFS) October 2016 (Executive Councillor for Finance and Resources)

Council was recommended to approve the recommendations set out in the Strategy and Resources Scrutiny Committee adoption minute for the Mid Term Financial Strategy (MTFS) October 2016 as set out on the agenda.

Councillor Cantrill proposed and Councillor Bick seconded the following amendments (additional text underlined, deleted text ~~struck through~~):

Capital

- i. ~~Allocate £20m in the Capital Plan for investment in a new programme of commercial property acquisition with the emphasis on security of assets and their income stream and~~ Allocate £20m in the Capital Plan for investment in residential property in Cambridge with the emphasis on delivering the council's housing objectives in conjunction with the income stream from the assets and
- ii. Delegate authority to the Head of Property Services to identify and invest in suitable ~~commercial~~ residential property up to £20m (inclusive of acquisition costs) in consultation with the Executive Councillor for Finance and Resources, the Chair and Opposition Spokesperson for Strategy & Resources Scrutiny Committee and the Head of Finance.

On a show of hands the amendment was lost by 13 votes to 24.

Resolved (by 24 votes to 0) to:

General Fund Revenue

- i. Agree the budget strategy and timetable as outlined in Section [pages 1 to 2 refer] of the MTFS document.
- ii. Agree incorporation of the budget savings, pressures, proposals and rephasings identified in Section 4 (pages 13 to 15 refer). 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 as shown in Section 5 (page 16 refers) of the MTFS document.

Capital

- i. Allocate £20m in the Capital Plan for investment in a new programme of commercial property acquisition with the emphasis on security of assets and their income stream and
- ii. Delegate authority to the Head of Property Services to identify and invest in suitable commercial property up to £20m (inclusive of acquisition costs) in consultation with the Executive Councillor for Finance and Resources, the Chair and Opposition Spokesperson for Strategy & Resources Scrutiny Committee and the Head of Finance.
- iii. Note the changes to the Capital Plan as set out in Section 6 [pages 17 to 21 refer] of the MTFS document and agree the new proposals:

Ref.	Description	2016/17 £000
Proposals		
SC631	Grand Arcade car park LED lights	194
SC622	Grafton East car park LED lights	137
SC629	Abbey Pools air plant upgrade	46
SC630	Abbey Pools solar thermal upgrade	49
SC625	Lammas Land kiosk improvements	20
SC623	Environment and cycling improvements in Water Street and Fen Road	50

Ref.	Description	2016/17 £000
PR038	Investment in commercial property	20,000
Misc	Section 106 miscellaneous	1,084
	Total Proposals	21,579

Reserves

- i. Agree changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £5.31m and the target level at £6.37m as detailed in Section 7 [pages 22 to 25 refer].

16/17/CNL Amendments to City Deal Executive Board and Assembly Standing Orders (Executive Councillor for Strategy and Transformation / Leader)

Under 100B (4b) of the Local Government Act 1972 the Mayor ruled in this agenda item for consideration.

Resolved (by 23 votes to 0) to:

Endorse the proposed modified standing orders for the Greater Cambridge City Deal Joint Assembly and Executive Board.

16/18/CNL To consider the recommendations of Committees for Adoption

16/18/CNLa Civic Affairs Committee: Appointing Person Arrangements For The Appointment of The External Auditor

Resolved (unanimously) to:

Adopt Public Sector Audit Appointment Ltd (PSAA) as the appointing person for the Council, subject to the receipt of a satisfactory invitation to opt into the PSAA's appointing person arrangements.

16/19/CNL To deal with Oral Questions

1) Councillor Todd-Jones to the Leader:

What was the outcome of the devolution meeting between council leaders and the Secretary of State Sajid Javid last Monday?

The Leader responded that Sajid Javid had made a commitment to devolution. All Councils were meeting in November to make a decision on devolution. £70 million of housing money would be under the control of the City Council. The only review mechanism would be whether the City Council had used the money well and it intended to make the £70 million stretch as far as possible.

2 Councillor Austin to the Executive Councillor for Streets and Open Spaces:**When cars are being discouraged from driving through and parking in the City centre why are we encouraging public parking on our green spaces during events, such as Midsummer Fair?**

The Executive Councillor responded that the general rule was that parking was not permitted for people who attended events on open space; parking would be restricted to event organisers and occasionally participants. However there would be exceptions to the rule for example Midsummer Fair. The vast majority of parking was used by the Fairground owners but there were a small number of visitor parking spaces which allowed for accessible parking. Midsummer Fair was a traditional meeting point for visitors to the event, many of whom are from the travelling community.

Reference was also made to a report on Midsummer Fair which went to Community Services Scrutiny Committee in October 2016 which included a section on parking arrangements.

3. Councillor Gehring to the Leader:**How can we ensure democratic accountability of the City Deal Board when the Assembly and Local Liaison Forums are being ignored and the Board's members, including the Executive Councillor himself, take to the press rather than the City Deal meeting to give reason for their opinion?**

The Leader responded that at the last meeting of the City Deal Board at least four issues raised by the Local Liaison Forum had been agreed to by the City Deal Board.

When the Board made comments to the media it was to explain its position on issues.

4 Councillor Cantrill to the Leader:

As the representative of the residents of Cambridge on the City Deal Board and one of three politicians taking City Deal decisions, how does he reflect the views of residents in the decisions the City Deal is taking?

The Leader responded that he had helped to organise a meeting with 65 residents in Newnham ward. He did not recall direct communication from Newnham Councillors but would respond to them. He had listened to the residents and specifically responded to them.

5 Councillor Gillespie to the Executive Councillor for Environmental Services and City Centre:

Does the Executive Councillor know how much of the recycling and landfill coming from Cambridge is water bottles? How much does the executive councillor believe that water bottle waste could be reduced by providing water fountains around the city, and does he have any plans to do so?

The Executive Councillor responded that at the time of the last analysis of domestic waste (which was undertaken in 2012) the amount of plastic bottles that went into residual bins (i.e. going to landfill), was less than 1% by weight and for recycling bins, less than 6% by weight was plastic bottles. These bottles would not all be drinking water bottles, but would include milk cartons, juice bottles etc. The figures did not include street refuse collection which was collected in a different way.

The provision of water fountains did not fall within his portfolio however requests for bids and provision could be submitted by residents and "Friends of" Societies to the relevant Executive Councillor.

6 Councillor Bick to the Leader:

Given the huge public outcry over the whole concept of road closures, is the Leader (as this Council's representative on the City Deal Board) willing to announce today that he is withdrawing his support for this approach to reducing congestion, and will seek public views on alternative approaches.

The Leader tabled a written briefing note for oral questions 6 and 7 which was circulated round the Chamber and the public gallery during the meeting.

The Leader responded that a large number of responses had been received on the proposals. He was not convinced that the proposals were viable and he had made his views known to the City Deal Board. The decision was a City Deal Board decision but the City Council had a right to have a say. A proper analysis of the responses was required.

7 Councillor Baigent to the Leader:

What are the next steps for the City Deal in assessing and responding to consultation responses on proposals for tackling peak-time congestion?

The Leader responded that a significant number of responses to the survey had been received and that there were a whole range of issues arising out of the responses. He commented that there may be an initial report on the survey to the Board in November before any further work begins or future work undertaken.

8 Councillor O'Connell to Executive Councillor for Environmental Services and City Centre:

An analysis of the City Deal's proposed Peak Time Congestion Control Points by Dr Mario Weick concluded that the scheme would cause air pollution levels to increase, particularly in less affluent areas of the city. This increase may cause pollution to exceed legal limits. Does the Executive Councillor agree with me that any acceptable package of proposals must reduce air pollution, and if so what steps are the city council taking to address this problem?

The Leader responded that modelling impacts would feed into any decision making. The City Council and the County Council had commissioned an air quality monitoring survey which did not reveal that any legal standards would be breached. The City Council wanted to take an active role and would pursue any action to improve air quality.

The following oral questions were tabled but owing to the expiry of the period of time permitted, were not covered during the meeting. The Mayor asked Executive Councillors if a written response could be provided to those questions that had not been covered.

9 Councillor Bird to the Executive Councillor for Housing:

Question to the Executive Councillor for Housing: What plans are in place to spend the £70m devolution money?

10 Councillor Ratcliffe to the Executive Councillor for Communities:

Can the Executive Councillor update Council on plans for the Bonfire Night celebration on Midsummer Common?

11 Councillor Sinnott to the Executive Councillor for Communities:

What are the Council's plans to mark Living Wage week?

12 Councillor R Moore to the Leader:

What are the consequences of the Ministry of Defence agreeing to pay damages to two of the victims of violent attacks by unsupervised Libyan soldiers in central Cambridge in October 2014, during the Ministry of Defence training programme at Bassingbourn?

13 Councillor T Moore to the Executive Councillor for Planning Policy and Transport:

Does the Executive Councillor share concerns about the draft Planning Bill 2016 giving developers the right to challenge pre-commencement planning conditions imposed to protect the archaeological record?

14 Councillor Barnett to the Leader:

What progress is the council making in welcoming and settling refugees from Syria?

15 Councillor Smart to the Executive Councillor for Communities:

What activities will be provided for children and families from the Council during half-term week?

16/20/CNL To consider the following Notices of Motion, notice of which has been given by:

16/20/CNLa Councillor Adey: Fair Votes

Councillor Adey proposed and Councillor Page-Croft seconded the following motion:

This Council believes a system which more fairly reflects the wishes of electors should be introduced for elections to Cambridge City Council.

Council notes that the Single Transferable Vote system has been successfully in use in both Northern Ireland, and Scotland for local council elections.

Council calls on the Government to allow this City to trial a ward based STV system for the next elections to the City Council in May 2018.

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

This Council believes a system which more fairly reflects the wishes of electors should be introduced for elections to Cambridge City Council.

Council notes that the ~~Single Transferable Vote~~ proportional representative systems have been successfully used in ~~both Northern Ireland, Scottish council elections and London Assembly elections.~~

Council calls on the Government to allow this City to trial a ward based ~~STV~~ proportional representative system for the next elections to the City Council in May 2018.

Council will also make a proposal under the Sustainable Communities Act asking the Government to allow councils the choice of using an appropriate proportional electoral system for all local elections.

On a show of hands the amendment was carried by 15 votes to 0.

On a show of hands the motion was defeated by 14 votes in favour to 20 against.

16/20/CNLb Councillor Gillespie: Climate Change

Councillor Gillespie proposed and Councillor Gehring seconded the following motion:

This council notes:

- The 2015 Paris Agreement was the symbolic beginning of a process of international agreement to drastically reduce carbon emissions with the aim of preventing the worst case scenario of climate change.
- The world has now permanently passed 400ppm (parts per million) atmospheric Carbon Dioxide.
- August 2016 marked 16 consecutive months of record-breaking global heat.
- Climate change and the carbon economy are already linked to 5 million deaths a year.
- The “climate cushion”, the period where governments were able to leave the problem for future generations, has entirely disappeared. Responsibility lies with current national governments and current local authorities.
- Cambridge City Council is clear in its ambition to arrest climate change: deciding in October 2015 to divest from fossil fuels, deciding in March 2016 to become zero carbon by 2050, and deciding in October 2016 to source approximately 18,000,000 kWh per year of its own energy from renewables.
- That the British government is seriously proposing airport runway expansion, awarding tax rebates for North Sea oil and gas companies of around £5 billion more than it receives in revenues, and tying the hands of local authorities to make decisions that reduce their own emissions and protect their environment and natural resources.

This council requests the Executive :

- To move swiftly to draw up a clear strategy for becoming zero carbon, and explore opportunities to reach this target before 2050, seeking partnership with appropriate expert groups such as the Global

Sustainability Institute and the Cambridge Science and Policy centre, and community groups such as Transition Cambridge and Cambridge Carbon Footprint.

- To set an explicit ambition of being the first UK zero carbon city.
- To apply, in the year following Brexit, to become a European Green Capital, to mark Cambridge's commitment to sustainability for the benefit of all citizens of the world.
- To begin a city wide consultation and behaviour change exercise targeting personal carbon emission reductions, in partnership with appropriate expert groups.
- To organise an annual sustainability festival, starting in 2017, in partnership with appropriate expert groups.
- To begin in 2017 an annual carbon budget cycle alongside the financial budget cycle, following the example of Worcester and Aberdeenshire councils.
- To implement a new tree-planting strategy that will add 250 trees to the city per year.
- To bring a report to Strategy and Resources committee about setting up a local energy company based on the Robin Hood model from Nottingham.
- To take the lead in bundling residents' energy needs to get a good deal on 100% renewable electricity.
- To investigate funding options for a carbon accounting project, including the Economic and Social Research Council.
- To make budget provision in 2017/18 for a full-time sustainability officer who will work on embedding sustainability into council decision making and envisioning a sustainable, Cambridge in a zero carbon lean economy.

This council resolves to write to the UK Government, asking them:

- To recognise the crisis that the world climate is in, and declare a climate state of emergency.
- To urgently reduce carbon emissions, investment in fossil fuels, and regulation which favours fossil fuels.

Councillor Robertson proposed and Councillor R. Moore seconded the following amendment to motion (deleted text ~~struck through~~ and additional text underlined):

This council notes:

- The 2015 Paris Agreement was the symbolic beginning of a process of international agreement to drastically reduce carbon emissions with the aim of preventing the worst case scenario of climate change.
- The world has now permanently passed 400ppm (parts per million) atmospheric Carbon Dioxide.
- August 2016 marked 16 consecutive months of record-breaking global heat.
- Climate change and the carbon economy are already linked to 5 million deaths a year.
- The “climate cushion”, the period where governments were able to leave the problem for future generations, has entirely disappeared. Responsibility lies with current national governments and current local authorities.
- ~~Cambridge City Council is clear in its ambition to arrest climate change: deciding in October 2015 to divest from fossil fuels, deciding in March 2016 to become zero carbon by 2050, and deciding in October 2016 to source approximately 18,000,000 kWh per year of its own energy from renewables.~~
- That the British government is seriously proposing airport runway expansion, awarding tax rebates for North Sea oil and gas companies of around £5 billion more than it receives in revenues, and tying the hands of local authorities to make decisions that reduce their own emissions and protect their environment and natural resources.

~~This council requests the Executive :~~

- ~~To move swiftly to draw up a clear strategy for becoming zero carbon, and explore opportunities to reach this target before 2050, seeking partnership with appropriate expert groups such as the Global Sustainability Institute and the Cambridge Science and Policy centre, and community groups such as Transition Cambridge and Cambridge Carbon Footprint.~~
- ~~To set an explicit ambition of being the first UK zero carbon city.~~
- ~~To apply, in the year following Brexit, to become a European Green Capital, to mark Cambridge’s commitment to sustainability for the benefit of all citizens of the world.~~
- ~~To begin a city wide consultation and behaviour change exercise targeting personal carbon emission reductions, in partnership with appropriate expert groups.~~
- ~~To organise an annual sustainability festival, starting in 2017, in partnership with appropriate expert groups.~~
- ~~To begin in 2017 an annual carbon budget cycle alongside the financial budget cycle, following the example of Worcester and Aberdeenshire councils.~~
- ~~To implement a new tree-planting strategy that will add 250 trees to the city per year.~~

- ~~To bring a report to Strategy and Resources committee about setting up a local energy company based on the Robin Hood model from Nottingham.~~
- ~~To take the lead in bundling residents' energy needs to get a good deal on 100% renewable electricity.~~
- ~~To investigate funding options for a carbon accounting project, including the Economic and Social Research Council.~~
- ~~To make budget provision in 2017/18 for a full-time sustainability officer who will work on embedding sustainability into council decision making and envisioning a sustainable, Cambridge in a zero carbon lean economy.~~

~~This council resolves to write to the UK Government, asking them:~~

- ~~To recognise the crisis that the world climate is in, and declare a climate state of emergency.~~
- ~~To urgently reduce carbon emissions, investment in fossil fuels, and regulation which favours fossil fuels.~~

Cambridge City Council has an important role to play in our city in addressing the threat to our world from global warming. Following a review and consultation we agreed a new Climate Change Strategy in March this year. This planned 45 actions focussed on five key areas over which we have greatest influence:

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

The full Climate Change Strategy 2016-2021 can be found at www.cambridge.gov.uk/our-work-towards-a-sustainable-cambridge

Since March progress has been made in many areas to apply the strategy, for example:

- Projects to greatly improve energy efficiency of council buildings have been undertaken which should save around 520,000 kwh per year, and further such projects are in development
- The council's electricity supply (around 7,000,000 kwh per year) has

been moved to be entirely from renewable sources

We have also developed some of the actions including visiting Nottingham City Council where we discussed making use of their Robin Hood Energy Company. Only 24.9% of the electricity they supply comes from renewable sources but their work on providing a much better deal on prepayment meters means that we want to find ways to work with them as part of our anti-poverty strategy.

Many of the actions will be take time to implement over the period to 2021 but work is underway on them. For instance a seminar is being planned which will bring together expert groups and voluntary organisations working on climate change with the aim of identifying ways to encourage businesses and other organisations working in and near Cambridge to play their part in moving the whole city to be carbon neutral by 2050. To reach this position significantly before 2050 would mean emissions would need to reduce at an unrealistic rate. For instance a reduction to zero carbon by 2030 would require annual reductions in emissions of 7% each year.

Accordingly this Council resolves to confirm the Climate Change Strategy 2016-2021 and work on the 45 actions it contains rather than set unrealistic targets and also divert scarce resources into seeking awards.

On a show of hands the amendment was carried by 23 votes to 14.

Resolved (by 23 votes to 0) that:

This council notes:

- The 2015 Paris Agreement was the symbolic beginning of a process of international agreement to drastically reduce carbon emissions with the aim of preventing the worst case scenario of climate change.
- The world has now permanently passed 400ppm (parts per million) atmospheric Carbon Dioxide.
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- Climate change and the carbon economy are already linked to 5 million deaths a year.
- The “climate cushion”, the period where governments were able to leave the problem for future generations, has entirely disappeared. Responsibility lies with current national governments and current local authorities.

- That the British government is seriously proposing airport runway expansion, awarding tax rebates for North Sea oil and gas companies of around £5 billion more than it receives in revenues, and tying the hands of local authorities to make decisions that reduce their own emissions and protect their environment and natural resources.

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Accordingly this Council resolves to confirm the Climate Change Strategy 2016-2021 and work on the 45 actions it contains rather than set unrealistic targets and also divert scarce resources into seeking awards.

16/20/CNLc Councillor Nethsingha: Comprehensive Education

Councillor Nethsingha proposed and Councillor T. Moore seconded the following motion:

This council notes that Cambridge has a strong and long-standing tradition of comprehensive education with powerful local community links.

Council notes the announcement by the Prime Minister of her intention to allow secondary schools to introduce academic selection.

Council calls upon the Chief Executive to write to the Secretary for State for Education to remind her of the compelling research evidence that selection at 11 does not raise academic standards for the majority of children, is counter-productive in terms of pupils' personal morale and well-being and is socially divisive.

In the absence of overarching local democratic co-ordination of state school organisation, Council resolves to seek informal engagement, on an all-party basis, with school governing bodies to encourage consensus that all secondary schools should continue to offer equal opportunity to pupils without entry by academic selection. It requests the Chief Executive to facilitate such a process.

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

This council notes that Cambridge has a strong and long-standing tradition of comprehensive schools ~~education~~ with powerful local community links.

Council notes with concern the announcement by the Prime Minister of her intention to allow a significant increase in secondary schools to introduce academic selection at aged 11.

~~In the absence of overarching local democratic co-ordination of state school organisation, Council resolves to seek informal engagement, on an all-party basis, with school governing bodies to encourage consensus that all secondary schools should continue to offer equal opportunity to pupils without entry by academic selection. It requests the Chief Executive to facilitate such a process.~~

Council calls upon the Chief Executive to write to the Secretary for State for Education the Leader of the Council to write to the Leader of the County Council and Dr Tim Coulson, Regional Schools Commissioner for the East of England to:

- a) ~~remind her~~ remind them of the compelling research evidence that selection at 11 does not raise academic standards for the majority of young people children, is counter-productive in terms of student pupils' personal morale and well-being and is socially divisive, and that there is also evidence that young people from less affluent backgrounds are particularly disadvantaged.
- b) ask them to seek formal and informal engagement, on an all-party basis, with school governing bodies and headteachers to encourage consensus that all secondary schools in Cambridgeshire should continue to offer equality of opportunity to all Year 7 pupils, without entry by academic selection.
- c) to write to the secretary of state for education, expressing these concerns.

On a show of hands the amendment was carried by 22 votes to 13.

Resolved (by 35 votes to 0) that:

This council notes that Cambridge has a strong and long-standing tradition of comprehensive schools with powerful local community links.

Council notes with concern the announcement by the Prime Minister of her intention to allow a significant increase in academic selection at aged 11.

Council calls upon the Leader of the Council to write to the Leader of the County Council and Dr Tim Coulson, Regional Schools Commissioner for the East of England to:

- a) remind them of the compelling research evidence that selection at 11 does not raise academic standards for the majority of young people, is counter-productive in terms of student personal morale and well-being and is socially divisive, and that there is also evidence that young people from less affluent backgrounds are particularly disadvantaged.
- b) ask them to seek formal and informal engagement, on an all-party basis, with school governing bodies and head teachers to encourage consensus that all secondary schools in Cambridgeshire should continue to offer equality of opportunity to all Year 7 pupils, without entry by academic selection.
- c) to write to the secretary of state for education, expressing these concerns.

16/21/CNL Changes to Executive Portfolios

The Leader of the Council explained the changes to portfolios included on the agenda for information.

16/22/CNL Written Questions

No written questions had been received.

16/23/CNL Urgent Decision

16/23/CNLa Acquisition of Land Adjacent To Huntingdon Road Crematorium

Members were asked to note the urgent decision included on the agenda.

16/24/CNL Oral Questions and answers supplied post meeting

The meeting ended at 10.35 pm

MAYOR

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COUNCIL

22 November 2016

7.00 - 8.50 pm

Present: Councillors Abbott, Austin, Avery, Baigent, Barnett, Benstead, Bick, Bird, Blencowe, Cantrill, Dryden, Gawthrope, Gillespie, Hart, Herbert, Hipkin, Holland, Holt, Johnson, McPherson, R. Moore, T. Moore, Nethsingha, O'Connell, O'Reilly, Perry, Pippas, Price, Ratcliffe, Roberts, Robertson, Sargeant, Sinnott, Smart, Smith, Todd-Jones and Tunnacliffe

FOR THE INFORMATION OF THE COUNCIL

16/25/CNL Apologies for Absence

Apologies were received from Councillors Adey, Ashton, Gehring, Page-Croft and Sarris.

16/26/CNL Declarations of Interest

No declarations of interest were made.

16/27/CNL Public Questions Time

Members of the public asked a number of questions, as set out below.

1. Wendy Blythe raised the following points:

- i. Wanted to put on record comments regarding devolution and representation.
- ii. Queried why local authorities who made up the combined authority gave the Local Economic Partnership (LEP) a vote on devolution. This gave them disproportionate influence.
 - The combined authorities were already spending money and having a large effect on public lives.
 - Devolution should be under democratic control.

The Leader responded that the LEP's ability to vote was still to be determined.

Wendy Blythe made the following supplementary points:

- i. The position regarding LEP voting power was unclear in the published agenda pack.

- ii. People felt very strongly about this.
- iii. Democratic representation was needed.

The Leader responded with the following:

- i. The LEP represented a lot of small and large businesses.
 - ii. Acknowledged the point that people needed to be represented.
2. Kelley Green queried what devolution meant and how it would help local businesses.

The Leader responded:

- i. There were large and small businesses in the city.
- ii. The LEP were consulted on devolution in the summer and were positive towards the package.
- iii. The economy of Cambridgeshire needed to take into account the views of small businesses.
- iv. Growth was affected by various factors such as Brexit.

16/28/CNL Cambridgeshire and Peterborough Devolution

The Mayor ruled in for consideration Appendix 1A and the accompanying officer briefing note, despite a copy not being available for public inspection 5 clear days before today's meeting. He ruled under 100B (4b) of the Local Government Act 1972 the urgency is that all the Councils in Cambridgeshire and Peterborough must consider this item of business by end of 22 November.

The Chief Executive explained that P11 of the covering report contained a typographical error. The table should refer to 285, not 262 responses. All the percentages quoted were based on those 285 respondents, they were accurate and reflected the actual figures in the data tables.

The following Officer recommendation was put forward:

That Full Council considers whether it wishes to:

- i. Consent to the Secretary of State making an Order to establish the Cambridgeshire and Peterborough Combined Authority (Appendix A of the Officer's report);
- ii. Consent to the Council being a constituent member of the Cambridgeshire and Peterborough Combined Authority with effect from the commencement date determined by the final Order;

- iii. Authorise the Chief Executive, in consultation with the Leader of the Council, to consent to the final draft Order and associated documents, specifically:
 - To agree minor drafting amendments to the Combined Authority Order to be laid before Parliament;
 - To consent to the Council being included within the draft Parliamentary Order thereby reflecting this Council's decision;
- iv. Authorise the Combined Authority to have a power to issue a levy to the constituent Councils in respect of any financial year. (This will be subject to the inclusion of a unanimity clause in the Combined Authority constitution on this specific matter);
- v. Recommend to the Combined Authority that the costs of establishing the Combined Authority, holding the elections in May 2017 and running the Combined Authority (including Mayoral Office) for 2016/17 and 2017/18 are funded from the gain share grant provided by Government (as outlined in para 10.11);
- vi. Appoint the Leader of Council to act as Council's appointee to the Shadow Combined Authority and once established, to the Combined Authority;
- vii. Appoint Councillor Price to act as the substitute to the above (ref vi);
- viii. Note the outcome of the public consultation on the establishment of the Cambridgeshire and Peterborough Combined Authority as outlined in paragraph 5.1 and 5.2 and Appendices 2A - 2D;
- ix. Note the timetable for the implementation of the Cambridgeshire and Peterborough devolution Order as summarised in paragraph 7.1;
- x. Note the Government's response to the outline business case for Housing capital investment funds secured as part of the devolution deal as set out in Appendix 3.
- xi. Note that a report will come to Civic Affairs committee on 15 February 2017 making proposals for City Council scrutiny of its representative on the Combined Authority, as requested by Council on 27 June 2016, and to confirm detailed arrangements for the Combined Authority Overview and Scrutiny and Audit Committee.
- xii. Note that in the interim period the Leader will report to Strategy and Resources Scrutiny Committee and to full Council on progress made with setting up the Combined Authority and the devolution deal.

Councillor Bick proposed and Councillor Avery seconded the following amendments:

Delete all original text and replace with:

Council notes:

- the lack of democratic legitimacy in Cambridge for the changes to governance within our area which are inherent in the current Devolution Deal, especially its proposal for an extra layer of government in the form of an elected mayor of Cambridgeshire and Peterborough;
- that no other predominantly non-metropolitan area has so far accepted this model of “Devolution” and that several other councils of various political complexions have already rejected it to negotiate a different deal;
- that there is no necessary relationship between the incentives offered by the government to accept this deal and the creation of an elected mayor and many have proven achievable elsewhere without acceptance of an elected mayor.

Council remains committed to:

- bringing powers closer to communities of shared interest and substantial interdependence;
- working with neighbours to confront challenges, share benefits, co-ordinate planning and to gain economies of scale for the delivery of selected services;
- achieving decision making structures which promote simplicity, joined-up policy, transparency and clear democratic accountability.

Council therefore resolves to withhold acceptance of the proposed deal at this time and calls on the Leader to:

- establish an immediate dialogue with government to deliver on its welcome willingness to fund new council housebuilding in Cambridge in recognition of the need which they have now accepted;
- in the meantime take action, which his colleagues are currently withholding, to improve and expand the supply of council homes in the city with powers and resources they already have;

- re-engage in discussions with surrounding councils and the government to secure devolved powers which may be operated on a shared basis without an elected mayor and for such an agreement to be legally enforceable;
- couple this with building agreement to reduce the current two tiers of council, providing in our own area for a unitary council focused on the economic sub region of Greater Cambridge;
- seek endorsement of the resulting package through a local referendum.

On a show of hands the amendment was lost by 11 votes to 26.

Resolved (by 26 votes to 1) to:

- i. Consent to the Secretary of State making an Order to establish the Cambridgeshire and Peterborough Combined Authority (Appendix A of the Officer's report);
- ii. Consent to the Council being a constituent member of the Cambridgeshire and Peterborough Combined Authority with effect from the commencement date determined by the final Order;
- iii. Authorise the Chief Executive, in consultation with the Leader of the Council, to consent to the final draft Order and associated documents, specifically:
 - To agree minor drafting amendments to the Combined Authority Order to be laid before Parliament;
 - To consent to the Council being included within the draft Parliamentary Order thereby reflecting this Council's decision;
- iv. Authorise the Combined Authority to have a power to issue a levy to the constituent Councils in respect of any financial year. (This will be subject to the inclusion of a unanimity clause in the Combined Authority constitution on this specific matter);
- v. Recommend to the Combined Authority that the costs of establishing the Combined Authority, holding the elections in May 2017 and running the Combined Authority (including Mayoral Office) for 2016/17 and 2017/18 are funded from the gain share grant provided by Government (as outlined in para 10.11);
- vi. Appoint Councillor Herbert as the Council's appointee to the Shadow Combined Authority and once established, to the Combined Authority;
- vii. Appoint Councillor Price to act as the substitute to the above (ref vi);

- viii. Note the outcome of the public consultation on the establishment of the Cambridgeshire and Peterborough Combined Authority as outlined in paragraph 5.1 and 5.2 and Appendices 2A - 2D;
- ix. Note the timetable for the implementation of the Cambridgeshire and Peterborough devolution Order as summarised in paragraph 7.1;
- x. Note the Government's response to the outline business case for Housing capital investment funds secured as part of the devolution deal as set out in Appendix 3.
- xi. Note that a report will come to Civic Affairs committee on 15 February 2017 making proposals for City Council scrutiny of its representative on the Combined Authority, as requested by Council on 27 June 2016, and to confirm detailed arrangements for the Combined Authority Overview and Scrutiny and Audit Committee.
- xii. Note that in the interim period the Leader will report to Strategy and Resources Scrutiny Committee and to full Council on progress made with setting up the Combined Authority and the devolution deal.

The Leader of the Council indicated he agreed with the recommendations in paragraph 2.2 of the Officer's report. The record of decision is listed separately.

The meeting ended at 8.50 pm

MAYOR

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (Executive Councillor for Housing)</p>
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2017/18 Housing Revenue Account Budget Setting Report

The report referred to the 2016/17 budget process, the range of assumptions upon which the Housing Revenue Account (HRA) Business Plan and Mid-Year Financial Review were based, were reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.

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

Accordingly, Council is recommended to:

Treasury Management

- i. Request that, in 2017/18, officers conclude a review of the existing approach to treasury management, which requires 25% of the value of the housing debt to be set-aside by the point at which the loan portfolio matures. The review will consider the risks associated with a recommendation to fully re-finance the loan portfolio, against the potential financial benefit to the business plan in the shorter term of investing the resource in income generating assets. A separate report will be brought back to Housing Scrutiny Committee in 2017/18 following this review.

Housing Capital

- ii. Approval of capital bids, shown in Appendix D (2) of the HRA Budget Setting Report, to include balcony works at Kings Hedges and Arbury, additional investment in Disabled Facilities Grants, and replacement of the existing housing management information system, where the cost of the latter will be met from an existing repair and renewals fund for IT services.
- iii. Approval of the transfer of budgets for smoke detectors, fencing and third party professional fees from capital to revenue, recognising the work being carried out in these areas in the future.

- iv. Approval of the latest Decent Homes Programme, to include updated allocation of decent homes expenditure for new build dwellings, as detailed in Appendix E of the HRA Budget Setting Report.
- v. Approval of re-profiling of budget totalling £954,000 for the new build schemes at Water Lane, Hawkins Road and Fulbourn Road, where completion of dwellings is now anticipated in 2017/18, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report
- vi. Incorporation into the Housing Capital Investment Plan, of anticipated grant of £14,000,000 per annum for 5 years, in respect of devolution funding to assist in the delivery of 500 new affordable homes in the city.
- vii. Approval of a £20,000,000 per annum, new build programme, for 5 years beginning in April 2017, recognising that devolution has been approved, that the authority will receive a grant of £14,000,000 per annum towards the delivery of new affordable homes and will utilise retained right to buy receipts and HRA resources to meet the balance of funding required. This programme will replace the previous RTB New Build Programme and the assumption that the authority may need to provide grants to registered providers when sufficient resource were no longer available to top up retained right to buy receipts.
- viii. Approval to earmark additional resource of £1,740,000 towards the cost of the re-provision of the existing 23 socially rented homes at Anstey Way, allowing a revised scheme to be brought forward, with any additionality on the site being funded from the devolution programme, using devolution grant and retained right to buy receipts.
- ix. Approval of the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.

General

- x. Approval of delegation to the Head of Finance, as Section 151 Officer, to make the necessary detailed budgetary adjustments in the HRA, in respect of savings approved as part of the HRA Budget Setting Report, following the outcome of consultation with both tenants and staff about

proposed service changes and resulting final savings.

- xi. Approval of delegation to the Head of Finance, as Section 151 Officer, to approve an in year increase in the budget for disabled facilities grants, in direct relation to any increase in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund.
- xii. Approval of delegation to the Head of Finance, as Section 151 Officer, to make the necessary detailed budgetary adjustments in the HRA, to reflect the impact of the triennial valuation of the Cambridgeshire Local Government Pension Scheme.
- xiii. Approval of delegation to the Strategic Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserve for potential debt redemption or re-investment, for the purpose of open market property acquisition or new build housing development, should the need arise, in order to meet quarterly deadlines for the use of retained right to buy receipts.

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Version 2
Housing Scrutiny
Committee

Housing Revenue Account Budget Setting Report 2017/18



January
2017

Version Control

	Version	for :	Anticipated Content
	1	Draft	Draft content for consultation
Current	2	Housing Scrutiny Committee 18 January 2017	Member Scrutiny Tenant and Leaseholder Representative Input Amendments to Executive proposals Opposition budget amendment proposals Rents and Service Charges approved Revenue budgets considered and approved
	3	Council Meeting 23 February 2017	The Executive Councillor for Housing's recommended final budget proposals Capital budgets considered and approved
	4	FINAL	Final version for publication following Council

Housing Revenue Account Budget

Setting Report

2017/18 to 2021/22

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Section 1

Introduction

Foreword by the Executive Councillor for Housing

The proposals for our 2017/18 Budget outline how we intend to meet the needs and aspirations of our tenants across the city over the next year. They focus on ensuring the continuing delivery of high quality new council homes and housing services in what remains a challenging and often rapidly changing national policy environment, where our financial assumptions and projections are constantly tested by new announcements or even policy reversals.

As the supply of social housing is under severe pressure, the profile of our tenants is changing. Increasingly they are single or two person households, 60% are not in employment and around 25% have an illness or disability. Almost 40% are over 65, generally speaking those we are housing are increasingly vulnerable and in need of support services, and around a quarter each year are those to whom we agree a duty to house under homelessness legislation. It is imperative that as a council we continue to ensure that Cambridge remains a place where all can live and flourish.

The background to this report remains the impact of the four year 1% rent cut imposed on social landlords last year and the subsequent need for savings. Although the Higher Value Levy has been delayed until the 2018/19 financial year it remains a threat to our ability to plan forward for the Housing Revenue Account with real certainty. The reversal of the government plans to make Pay to Stay compulsory for our tenants and for us as council landlords is welcome. There is though, a clear need to continue to work with

other stock holding councils to make the case to government that compulsory sales of council homes (the Higher Value Voids Levy) will seriously damage the ability of councils to make a significant contribution to the housing crisis locally and nationally.

Discussions through the year with government have resulted in a landmark Devolution Deal offer to Cambridge which includes £70,000,000 grant to build new council homes and which will enable us to use the Right to Buy receipts laid out within this budget report. The delivery of at least 500 new council homes at genuinely affordable rents over the next five years is critical in addressing the housing affordability crisis in the city, and the Deal will also unlock the potential for further funding to address housing need in future devolution settlements.

Background

Housing Revenue Account budgets continue to be set in the context of a 30-year business plan, which is fully reviewed twice each year, in September / October when the budget strategy is agreed and again in January / February, when the budget is set.

The resource available to invest in housing services is dependent upon anticipated income streams for the Housing Revenue Account, with the most significant of these being the rental income for the housing stock. Following legislative change introduced through the Welfare Reform and Work Bill 2015, the authority no longer has discretion to set rents at a local level, but is instead required to comply with a national approach where rents will be reduced by 1% per year, for a further three years, from April 2017.

Rent setting regulations, alongside other national changes in housing policy, remove some of the flexibility over longer-term decision making, which was available immediately after self-financing was introduced in April 2012.

With diminishing resources, it is imperative that the Housing Revenue Account continually reviews its priorities for investment, considering:

- The acceptable minimum level of investment in the existing housing stock
- The need to spend on landlord services (housing management, responsive and void repairs)
- The need to support, and potentially set-aside for repayment of, housing debt
- The ability to identify resource for Investment in new affordable housing
- The ability to invest in new initiatives, income generating activities and discretionary services (i.e.; support) if resources allow

To protect the future of the Council's social housing, it is imperative that the organisation sets budgets in the context of their long-term impact on the financial viability of the Housing Revenue Account 30-Year Business Plan.

There is a key requirement to ensure that the HRA can support a significant level of housing debt whilst also ensuring ongoing delivery of housing services. As at April 2016, the authority was supporting a housing debt of £214,456,511. To date, it has been the policy of the HRA to set-aside resource to allow the potential to repay a proportion of the housing debt should the authority so chose, although this approach is currently being reviewed.

Purpose, Scope and Key Dates

Purpose and Scope

The HRA Medium Term Financial Strategy for 2016/17, approved in part at Housing Scrutiny Committee in September 2016, with the capital aspects approved at Council in October 2016, set the financial strategy for the HRA for 2017/18.

Factors affecting the housing service, both internal and external, were considered, alongside emerging changes in national housing policy and the implications of any anticipated changes in the economic environment. The review determined the

financial strategy for the HRA and the framework for the detailed budget work to develop proposals for the 2017/18 budget.

As part of the preparation of the HRA Budget Setting Report, the range of assumptions on which the HRA Medium Term Financial Strategy was based, have been reviewed in light of the latest information available to determine whether any aspects of the strategy needed to be revised.

The outcome of the exercise, summarised in this document, provides the basis for the finalisation of the HRA budget and setting of rents and charges for 2017/18, culminating in recommendations to both Housing Scrutiny Committee on 18th January 2017, and ultimately Council on 23rd February 2017.

The HRA Budget Setting Report provides an overview of the finances for the HRA. It covers both HRA revenue and housing capital spending, highlighting the inter-relationships between the two. As the authority's landlord account, all services to tenants and leaseholders are accounted for and it is the account into which the proceeds of the rent and landlord service charges are credited.

A key aspect of the financial review is consideration of risk and any potential mitigation. Sensitivity analysis of key factors is undertaken, to ensure that effective contingency plans are available to the Council and that an appropriate level of reserves can be maintained in light of changes in assumptions.

The work on the 2017/18 HRA Budget Setting Report takes as its starting point the following key parameters:

- A financial model that assumes revenue resource is set-aside to redeem up to 25% of the housing debt.
- A financial model assuming use of borrowing headroom, for cashflow purposes only, or in order to extend the financial viability of the business plan once rental

income is insufficient to meet the costs of managing and maintaining the housing stock.

- Rent reductions in line with legislation for the period from 2017/18 to 2019/20, returning to rent increases in line with previous government guidelines after this.
- Housing stock that is maintained at a level that allows the authority to comply with the decency standard and more, but no longer at a full investment standard.
- A savings requirement derived from the impact of the latest assumptions in the business plan, which include the impact of the loss of rental income which the 1% rent cut imposes and the anticipated financial impact that a requirement to dispose of void dwellings to meet a government levy will impose.
- An adjustment in responsive repairs expenditure in line with anticipated stock changes.
- Inclusion of a transformation fund of £120,000 for 2017/18 and 2018/19, after which no resource for service development or strategic investment is assumed.
- A minimum working balance for reserves of £2m, with a target level of £3m.

Key Dates

The key member decision-making dates were / are as follows:

Date	Task
2016	
22 September	The Executive Councillor for Housing considered HRA Medium Term Financial Strategy, incorporated Housing Scrutiny Committee, including Tenant and Leaseholder Representative views, and approved revenue aspects, making recommendations to Council in respect of the capital plan.
20 October	Council approved HRA Medium Term Financial Strategy 2016/17
2017	
18 January	Executive Councillor for Housing considers Housing Scrutiny Committee views, before approving HRA revenue budgets and rent levels, and making recommendations to Council in respect of the capital aspects of the HRA Budget Setting Report
23 February	Council approves HRA Budget Setting Report

Section 2

Review of National and Local Policy Context and External Factors

Review of National Policy Context

National Rent Setting Policy

The legislation approved as part of the Welfare Reform and Work Bill 2015, requires both local authority landlords and registered providers to continue to apply a 1% rent reduction for the next three years, from April 2017 to April 2019 inclusive.

There were indications that supported and sheltered housing may be excluded from the requirement to cut rent levels, due to the enhanced level of services provided in this type of accommodation, but following a national review, confirmation has now been received that the 1% rent cut is to be applied to all social rented housing.

Where actual (transitional) rents have still not reached property specific target rent levels, local authorities are permitted to increase the rent to the target rent level only at re-let, recognising that the target rent for each property will also reduce by 1% each year for the next three years.

It is still not clear what will happen to rent levels after 2019/20, with the authority still making the assumption that rent increases can be re-introduced in 2020/21 at the previous levels of CPI plus 1% per annum.

In respect of affordable rents, the government requires local authorities to determine what 80% of the market rent would be for a property, and to apply the 1% reduction to this rent level, with the resulting sum being the maximum which a local authority can charge.

National Tenancy Policy

The Housing and Planning Bill introduced the requirement for local authorities to grant fixed term tenancies of between 2 and 10 years. A longer tenancy can be granted where a child under 9 years of age is resident as part of the household, with the tenancy expiring when the child reaches 19 years of age.

It is anticipated that the requirement will be introduced for all new tenancies in 2017, but this is still subject to confirmation through the release of formal regulations.

Market Rents for Higher Income Households (Pay to Stay)

The Housing and Planning Act 2016 introduced the ability for local authority social landlords to be required to charge up to market rent levels for households on higher incomes.

The policy change, initially intended to be implemented from April 2017, would have required households earning over £31,000 per annum in taxable income to pay a higher level of rent than the social housing rent restructuring formula dictates, with increased rents introduced on a tapered basis. For every £1 over the threshold which a household earns, the rent payable will increase by 15p

On 21st November, in a ministerial statement issued by Gavin Barwell, Minister for Housing and Planning, it was confirmed that the government have decided not to proceed with 'Pay to Stay' on a compulsory basis. Local authorities will still be able to introduce the scheme voluntarily for households earning over £60,000, in line with previous legislation.

It is Government's intention that mandatory fixed term tenancies will be used to ensure that household incomes are taken into consideration when determining whether the tenants still need a socially rented home at the end of a tenancy.

There was also a commitment given by Government to consider whether there other options exist to ensure that high income tenant in social housing make a greater contribution to their housing costs.

Mandatory Disposal of High Value Housing Stock

The ability, as included in the Housing and Planning Act 2016, for Central Government to impose a financial levy on stock owning authorities in respect of the assumed sale of higher value housing stock, is still subject to regulation.

The levy will vary for each financial year, with the value arrived at on a formulaic basis, after a period of consultation with local authorities. Although the regulations are not yet available, It is still anticipated that the authority will have some discretion over which assets it disposes of, in order to meet the levy. Payments are likely to be due periodically throughout each financial year.

Once regulations are made available, the HRA Acquisition and Disposal Policy will be reviewed under delegation, to ensure that the authority can act quickly to meet any payments due. An officer project team has reviewed the asset holding for the HRA, a land audit is underway and processes are being considered to ensure the new workload can be met, utilising either a fully in-house model, or procuring a proportion of the services required externally.

Following recognition that local authorities will need plenty of time to prepare for the introduction of the levy, it was confirmed in an interview with the Housing Minister in late November 2016, that the government will not be requesting any higher value voids levy payments from councils during 2017/18. On the strength of this, our financial modelling

now assumes that we do not begin to hold any voids until October 2017, on the assumption that there may be a levy payable from April 2018. The HRA Budget Setting Report has therefore been constructed on the assumption that the compulsion to sell will still require the equivalent of approximately 1.8% of the housing stock each year to be disposed of, representative of just under 130 properties per annum initially, but with payment simply deferred until 2018/19.

Welfare Reforms

Universal Credit

Universal Credit was introduced in Cambridge on the 29th February 2016 and is currently only applicable to single, working age customers, otherwise entitled to make a claim for Jobseekers Allowance. Universal credit generally includes housing costs for this group and this is paid directly to the customer unless it can be demonstrated that there are budgeting concerns. Claims must be made online. The full digital service that will allow claims from couples and those with children will be rolled out to Cambridge Job Centre in June 2018. The current number of claims continues to be low, with most for people who do not have a rental liability such as non-dependants.

As part of the Delivery Partnership Agreement, requests for Personal Budgeting Support are being accommodated by Cambridge Citizens Advice Bureau (CAB). There have been low numbers of these, and many have not attended their appointment at CAB, which the partners (CAB, DWP and the City Council) are working to resolve.

Benefit Cap

Preparations for the introduction of the reduced Benefit Cap are progressing well, with early identification of potential customers affected being approximately 150, of which approximately 80 are HRA tenants. The Council is contacting those potentially affected by telephone or by visiting, with a number of these households having been identified as receiving incomes that exempt them from the cap or having started work or increased their hours of work which will remove them from the cap. Application of the

cap is a rolling programme, concluding in early January, but as at the end of November 2016, 49 HRA tenants were impacted.

A number of referrals have been made to Citizens Advice for budgeting support and some have been referred to Cambridge Housing Society to look at ways to help those affected into work.

Removal of the Spare Room Subsidy

Numbers of customers affected by the removal of the spare room subsidy continue to reduce slowly and currently there are 349 HRA tenants affected by the reform, with 295 impacted by a reduction of 14% and 54 by 25%.

Limiting the Child Element to two children

From 1 April 2017, new benefit claims and current benefit claims which increase the family element above two children, will not have additional child elements included in the Housing Benefit calculation.

There are some exemptions for multiple births, result of abuse and adoption, or similar. It will not impact on current claimants with more than two children, unless they have more children, then the child allowances will not increase, subject to the above exemptions.

Local Housing Allowance (LHA) Restriction

Social sector rents used in the calculation of Housing Benefit and the Housing Costs element of Universal Credit will be restricted to the prevailing Local Housing Allowance rates from April 2019. Local Housing Allowance rates will be the maximum Housing Benefit payable, towards both rent and any service charges. Regulations have not yet been released, but the following is the guidance issued thus far and will apply to both general needs housing and supported, impacting those of working age as well as pensioners:

- The shared accommodation rate for under 35's will not apply to those in Supported Housing for Housing Benefit or the Housing element in Universal Credit.
- In Housing Benefit, those with tenancies before 1 April 2016 will not be affected but all Universal Credit customers will be impacted irrespective of when their tenancy started.

LHA rates are set to be frozen for the remainder of this parliament but may go down if average rents decrease within the Cambridge Broad Rental Market area.

Supported Accommodation Review

DWP has launched a consultation considering the new funding for supported housing once many of the above changes come into effect from April 2017.

Right to Buy Sales

During 2015/16, 141 right to buy applications were received and recorded, resulting in 42 completions. This compares to 103 applications in the previous year, which gave rise to 51 completions.

In the first 6 months of 2016/17, 38 sales have completed, supporting a view that there is an increase in interest in the scheme, where previously a marginal decline had been seen. The anticipated introduction of 'Pay to Stay', the requirement for those on higher income to pay up to market rent for living in their council home, is thought to have had a bearing of the continued increased level of activity.

Accurately predicting future sales is not possible, but continued interest in the lead up to the introduction of 'Pay to Stay' indicates that the higher level of sales assumed in the Medium Term Financial Strategy should be retained, with 55 sales assumed in 2016/17, 50 sales in 2017/18, reducing by 5 sales per annum, until 25 sales per annum are assumed from 2022/23 onwards.

The table below highlights the activity over the last 5 years, detailing the mix of houses, flats and bedsits sold through this process.

Status	Year	Right to Buy (RTB)			Total
		House	Flat	Bedsit	
Actual Sales	2011/12	7	5	0	12
	2012/13	26	15	0	41
	2013/14	31	28	1	60
	2014/15	26	24	1	51
	2015/16	24	17	1	42
Estimated Sales	2016/17	28	27	0	55
	2017/18	25	25	0	50
	2018/19	23	22	0	45
	2019/20	20	20	0	40
	2020/21	18	17	0	35

Right to Buy Receipts

Under the retention agreement with CLG, the authority now holds a significant sum for re-investment. Receipts must still be spent, within 3 years, to fund the delivery of new social housing, with a maximum of 30% of any dwelling being funded via this mechanism. The balance must be funded from the Council's own resources or through borrowing, and not on dwellings receiving any other form of public subsidy.

Although the capital receipts can be invested by the authority to earn interest in the short-term, if not spent appropriately within the 3 year time frame, have to be paid over to central government, with 'penalty' interest payable at 4% above the base rate, far exceeding the level of interest that will have been earned in the interim. With the current Bank of England base rate, this would be 4.25%.

There is scope however, subject to progression of the latest devolution offer following public consultation, for money to be made available through this route to be matched with right to buy receipts to deliver new homes in the city.

Appendix G summarises the latest position in respect of receipts held and appropriately re-invested, highlighting that although a deadline has not yet been breached, the timing of investment through our capital programme is absolutely crucial if we are to avoid payment of any penalties.

During 2016/17 a number of strategic acquisitions have, or will have, taken place to ensure that sufficient resource has been invested by March 2017.

The option to pass retained receipts to registered providers still remains, with the registered provider delivering affordable housing to which we would receive nomination rights. The same time constraints apply in this instance, as does the need for the 70% top up funding.

Newly arising receipts continue to be retained at the end of each quarter, subject to the delegated approval of the Head of Finance, in consultation with the Strategic Director, with the Executive Councillor for Housing informed if the recommendation were to be to pay receipts directly back to Central Government.

The additional capital spending, and top up funding, required as a result of decisions to retain right to buy receipts are built into the Housing Capital Investment Plan at the next available opportunity.

Review of Local Policy Context

Housing Stock

Cambridge City Council Housing Revenue Account owns and manages the following properties, broken down by category of housing provided:

Housing Category	Actual Stock Numbers as at 1/4/2016	Estimated Stock Numbers as at 1/4/2017
General Housing – Social	6,316	6,261
General Housing – Affordable	98	175
Sheltered Housing	510	510
Supported Housing	22	22
Temporary Housing (Individual Units)	47	45
Temporary Housing (HMO / EA's)	30	30
Miscellaneous Leased Dwellings	17	17
Sub Total Rented Dwellings	7,040	7,060
Shared Ownership Dwellings	78	88
Total HRA Dwellings	7,118	7,148

Note: General Housing - Affordable are new build homes, which are let as agreed in the HRA Rent Setting Policy, at Local Housing Allowance levels of approximately 60% of market rent.

A breakdown of the housing stock by property type, excluding shared ownership, is demonstrated in the table below:

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2016	Estimated Stock Numbers as at 1/4/2017
Bedsits	107	107
1 Bed	1,687	1,685
2 Bed	2,376	2,404
3 Bed	2,253	2,247
4 Bed	98	98
5 Bed	7	7
6 Bed	2	2
Sheltered Housing	510	510
Total HRA Rented Dwellings	7,040	7,060

Leasehold Stock

At 1st April 2016, the Council retained the freehold and managed the leases for 1,145 leasehold flats.

Housing Demand

The mix of new housing delivered by the Housing Revenue Account continues to be influenced by a combination of the numbers on the housing register locally coupled with strategic forecasts of future need.

Cambridge City Council currently has just over 1,270 households on the housing register. 536 applicants were housed over the last year, with the majority of lettings being to applicants at band A or B.

The greatest demand for housing is for one and two bedroom properties, with one-bed applicants accounting for 57% of the register, two-bed applicants 32%, three-bed applicants 9% and 2% of applicants waiting for properties with 4 or more bedrooms. Applicants are banded according to housing need, with band A representing the highest housing need and making up approximately 10% of the register. Band B applicants represent approximately 26%, band C 32% and band D 32%.

Support for Vulnerable People

Cambridge City Council is still in contract with the County Council for the delivery of tenure neutral support services to older people across the city as a whole, with a term of up to 5 years from 30th April 2014, assuming an extension is agreed from April 2017. The contract sum is £180,000 per annum.

The authority is also contracted to deliver support services in extra care housing, operating under temporary extensions arrangements whilst the County Council decide upon the most appropriate delivery vehicle for the future.

Partnership Working and Shared Services

The organisation, and therefore the HRA, continues to expand the provision of services which are delivered as shared or partnership services with other local authorities.

Shared services with South Cambridgeshire District Council and Huntingdonshire District Council are in place for the provision of ICT and Legal Services, both of which impact the HRA.

The authority continues to share the Head of Finance and Housing Finance Service with South Cambridgeshire District Council, with a view to wider shared finance services once a new financial management system has been implemented across the authorities.

The Housing Development Agency (HDA) is fully operational, with the City Council seconding staff from South Cambridgeshire District Council into a shared service, which the City is managing initially. The HDA is delivering new homes, working with multiple partner agencies, to increase the supply of new affordable housing. The agency will play a key part of the delivery of new homes in the city as part of devolution.

As identified as part of the Housing Transformation Programme, there is still the potential to explore a shared Housing Management Service with South Cambridgeshire District Council, with the potential for a wider shared strategic housing function in the future also.

External Factors

Any update of the financial forecasts for the HRA needs to take into consideration factors outside of the direct control of the authority, which will impact strategic decision making,

Inflation Rates

The base rate of inflation used to drive expenditure assumptions in the HRA financial forecasts is the Consumer Price Index (CPI). Changes in this measure of inflation were reviewed as part of the Medium Term Financial Strategy, with the view remaining that the average rate of growth has remained low, with rates of below 1% now spanning the last 21 months.

However, due to continued uncertainty in the economy during the lead in to exiting the European Union, forecasts for the rate of base inflation were amended as part of the Medium Term Financial Strategy, reflecting the projections being made by the Office for Budgetary Responsibility (OBR). Estimates that prices will increase by 1.9% for 2017/18, and 2.4% from 2018/19 onwards were incorporated into financial forecasts. There is no change to this assumption as part of the 2017/18 Budget Setting Report.

In respect of building maintenance expenditure, inflation is forecast using the RICS (Royal Institution of Chartered Surveyors) Building Cost Information Service (BCIS) all in tender price index. The decision to leave the European Union is still anticipated to have a direct impact in this industry, with continued uncertainty about the price that can be secured for both labour and building materials.

The projections incorporated as part of the Medium Term Financial Strategy, of growth in this indices of 3.7% for the next 3 years, followed by an increase of 4.6% and 6.4% in the last 2 years have been maintained, with the average rate of 4.5% used from year 6 onwards.

Interest Rates

The Housing Revenue Account continues to benefit from interest earned on any cash balances held, with a mix of investments adopted by the authority as a whole. Rates, however, remain low, with the latest interest rate assumptions included in **Appendix A**.

In respect of HRA borrowing, in addition to the self-financing loan portfolio, with rates ranging between 3.46% and 3.53%, the Housing Revenue Account still has additional borrowing capacity before the debt cap is breached of in the region of £16m.

The HRA Medium Term Financial Strategy incorporated the prudent assumption that any additional borrowing would be externalised, with updated PWLB maturity loan rates for loans of a 30 year duration used, in conjunction with market projections. This resulted in the inclusion of a rate of 2.5% in 2017/18, rising to 2.7% from 2018/19 onwards,

Although rates available currently are lower than those secured for the self-financing settlement, re-financing of existing loans to take advantage of the lower rates would incur significant early redemption penalties, with the penalty outweighing any potential interest savings.

Section 3

Housing Revenue Account Resources

Rent

Rent Arrears, Bad Debt Provision and Void Levels

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

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

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2012	£655,177	1.98%	£863,677
31/3/2013	£661,246	1.86%	£862,042
31/3/2014	£619,986	1.68%	£967,755
31/3/2015	£637,735	1.67%	£763,491
31/3/2016	£598,820	1.51%	£735,539

Performance in the collection of current tenant debt was more than maintained during 2015/16, but is more concerning for the first half of 2016/17, where arrears are higher, when compared with the profile at this point in previous years. At the end of quarter 2 in 2016/17, current arrears totalled £848,779.54, compared to £805,916.66 at the same point in 2015/16. It is imperative that dedicated staff continue to work proactively with

tenants affected by benefit changes, particularly during the rollout of direct payment, which began locally in February 2016,

There is still a considerable challenge in respect of actively pursuing, or proactively writing off, former tenant debt, despite good progress in this area over the last two years. At the end of quarter 2 in 2016/17 former tenant arrears stood at £778,434.27, compared to £725,829.45 at the same point in the preceding year, highlighting the need for continued focus in this area.

The provision for bad and doubtful debt, taking into consideration both the age and value of outstanding debt, stood at £1,181,406 at 31 March 2016, representing 89% of the total debt outstanding.

The value of rent not collected as a direct result of void dwellings in 2015/16 was £389,281, representing a void loss of 1.05%, compared with £320,237 in 2014/15, representing a void loss of 0.88%.

Void levels have increased in 2016/17 to date, with void loss up to the end of September 2016 of 1.51%. The higher level is predominantly due to holding vacant units at Ditchburn Place pending refurbishment, at Anstey Way in anticipation of re-development of the site, and at various locations where disposal or a lease has been agreed.

Void performance statistics exclude the afore-mentioned voids, ensuring that the authority has a proper picture of those dwellings vacant, but anticipated to be available for re-let once any standard void works have been completed.

Operational changes proposed as part of the Housing Transformation Programme suggest that void times in general housing can be further reduced, resulting in an increase in rental income to the HRA.

In recognition of this, the base assumption of 1% voids in general housing has been reduced by 0.08% for 2017/18, 0.12% for 2018/19 and 0.16% for 2019/20.

The proposed requirement to sell high value void properties in the future will impact this assumption in future iterations of the business plan, once the regulations and detailed guidance are made available.

Rent Restructuring and Rent Levels

Property specific target social rents under the rent restructuring regime still apply, but the requirement to reduce social housing rents, including those in supported and sheltered housing by 1% for a further 3 years, means that the target rents will also reduce in line with this.

The authority has the ability to close the gap between target social rent and the actual rent being charged for a dwelling, only when a property becomes void.

The average target 'rent restructured' rent at the start of 2016/17 across the general housing stock was £104.83, with the average actual rent charged being £100.26, both recorded on a 52 week basis. By the end of September 2016, 19.8% of the social rented housing stock was being charged at target rent levels, compared with 16.7% in April.

The gap between actual and target rent levels now equates to an annual loss of income of approximately £1,340,000 across the HRA, compared with the income assumption in the HRA Self-Financing Debt Settlement, where convergence was anticipated well before now.

There were 120 new build properties charged at the higher 'affordable rent' levels, equivalent to the Local Housing Allowance at the end of September 2016.

Rent Policy

The local rent setting policy was last amended in September 2015, and will need to be reviewed to reflect the requirement to reduce social rents for the next 3 years, to provide clarity over the proposals for reviewing affordable rents annually, and to recognise any impact on rents that may arise from the requirement for compulsory fixed term tenancies, once detail and regulations are available.

Rent Setting

Rent levels continue to be set in January of each year, with the Executive Councillor for Housing having authority to make this decision, following pre-scrutiny by Housing Scrutiny Committee.

From April 2017, the authority is required to apply the second year of a four year rent cut in social housing rents of 1% per annum, with confirmation received that supported and sheltered housing are to be included in this directive, and not exempted as was an option in the first year.

The assumption is still being made, in respect of longer-term financial forecasts, that the authority will be able to revert to the previous policy of increasing rents by CPI (as measured at the preceding September), plus 1% each year, from April 2020, followed by CPI plus 0.5% from April 2024.

In respect of affordable rented homes, the government require local authorities to determine what 80% of the market rent is for each dwelling, and ensure that the combined rent and service charges levied for a property does not exceed this level, minus the 1% reduction required from April 2017.

Service Charges

Service charges continue to be levied for services that are not pure landlord functions, and are provided to some tenants and not others, depending upon the type, nature and location of the property. Some of these services are eligible for housing benefit, depending upon the nature of the service.

The majority of services provided to tenants of Cambridge City Council are now separately identified, with the exception of communal electricity and grounds / estate maintenance to non-sheltered flatted accommodation.

It is proposed, as part of the 2017/18 budget and rent and service setting process, to levy separate charges in respect of communal electricity and grounds / estate maintenance to tenants from April 2017. This will ensure consistency with the charges levied to leaseholders, and if implemented in April 2017, when rent levels are reducing as opposed to increasing, will also limit the financial impact for tenants

Building cleaning and window cleaning services are subject to the final stage of a phased implementation, with full costs to be recovered from April 2017, following price increases as part of externalisation of the service in June 2015.

The approach to setting service charges for 2017/18 is detailed at **Appendix B**.

Other Sources of Income

Garages

The Housing Revenue Account currently owns 1,705 residential garages, and manages a further 23 on behalf of the General Fund.

Of the HRA garages, 61 currently form part of the sites for the 2015/16 garage re-development programme, and so will be demolished once fully vacated, and work begins.

Of the garages available for letting, approximately 23% are currently void, with a corresponding level of void loss to the end of September 2016.

A number of garage blocks are undergoing feasibility work, as garage sites identified in the 3 year rolling affordable housing programme. These 129 garages are either let or are still available for letting at present as no firm decisions have been made about the suitability of the sites for new build.

The HRA has a variable charging structure for garages and parking spaces, with charges reviewed annually as part of the budget process. The proposed garage charging structure for 2017/18 is as follows:

Category	Rent £ per rent week	VAT £ per rent week	Total Charge £ per rent week	Percentage Increase on previous year
Parking Spaces (tenants only)	7.72	0.00	7.72	1.9%
Parking Spaces in the Curtilage of the Property (tenants only)	7.72	0.00	7.72	1.9%
Garage in the Curtilage of the Property (tenants only)	9.93	0.00	9.93	1.9%
Tenant of City Homes (for storing a motorised vehicle)	9.93	0.00	9.93	1.9%
Other Resident with Garage within ½ mile of address (for storing a motorised vehicle)	9.93	1.99	11.92	1.9%
Other Resident (Within Cambridge City) with Garage over ½ mile of address (for storing a motorised vehicle)	12.04	2.41	14.45	1.9%
Public Body/Charity	16.58	3.32	19.90	1.9%

(for storing a motorised vehicle)				
Non Cambridge City resident or Business / Commercial / General Storage Use	18.70	3.74	22.44	1.9%
Tenant of City Homes (For general storage)	18.70	3.74	22.44	1.9%
City Homes / Internal Use	18.70	0.00	18.70	1.9%

Commercial Property

Rental income from commercial property continues to fluctuate due to the timing of lease renewals for the small portfolio of shops and other business premises that are owned by the HRA. In 2016/17 the income generated by the commercial property portfolio is anticipated to be in the region of £425,000, which is higher than anticipated due to delays in terminating leases at Akeman Street, where a mixed tenure site is approved for re-development.

With the exception of the Akemen Street site, where there is already a long-term vacant unit, the occupation of the HRA commercial property portfolio is very good at present, with no vacant shop units currently. The performance of these assets needs to be continually reviewed to ensure the HRA prioritises acting in the best financial interests of its social housing tenants.

Interest / Investment Income

The Housing Revenue Account receives interest on general or ear-marked revenue balances, any funds set-aside in the major repairs reserve or the revenue debt repayment reserve and any unapplied capital balances.

The interest rates available to the Council remain low, and recovery is still anticipated to be slow.

Other External Funding

In addition to income received directly from service users, the Housing Revenue Account anticipates receiving external funding in the following forms:

- Homes and Communities Agency (HCA) Grant – The authority anticipates receiving grant as part of the 2015-18 programme, with balances of £125,000 for Aylesborough Close, £87,500 for Water Lane and £97,125 for Clay farm shared ownership due in 2016/17. A grant of £1,275,000 for the re-development and reconfiguration of Ditchburn Place was also approved, but work has not yet started on site.
- Support Funding – The level of funding via the Supporting People Programme has reduced to a point where the authority now receives £180,000 per annum for support to be provided to older people across the city.

Earmarked & Specific Funds

Earmarked Funds – Revenue Reserves

In addition to General Reserves, the Housing Revenue Account maintains a number of earmarked or specific funds. **Appendix C** details the current level of funding in the reserves.

Repairs & Renewals

These funds are maintained to fund major repairs of HRA-owned administrative premises and periodic replacement of assets such as vehicles, plant, equipment and furniture, particularly in sheltered and supported accommodation.

Major Repairs Reserve

A statutory reserve which receives a sum, transferred from the revenue account, equivalent to the depreciation in respect of the housing stock each year. Resource in the Major Repairs Reserve is then used as a source of funding in the Housing Capital Investment Plan, to meet the capital cost of works to HRA assets, or alternatively to repay housing debt. From April 2017, the transitional measures that allow the authority to limit the depreciation charged in respect of dwellings to the value of the old Major Repairs Allowance ceases, from when the full depreciation value will be transferred into the reserve each year, irrespective on whether the asset base requires this level of investment.

Tenants Survey

The Tenants Survey reserve allows the spread of costs for the STAR Tenants and Leaseholder Survey evenly across financial years, despite the survey only being undertaken formally every two or three years, with the next survey due in 2017/18.

HRA Set-Aside for Potential Debt Repayment or Future Re-Investment

The business plan currently assumes that the authority notionally sets aside up to 25% of the value of housing debt over the life of the plan, to retain flexibility in whether to redeem or re-finance some of the loan portfolio as loans mature. This policy is to be reviewed as part of the Housing Transformation Programme, with an alternative view to instead invest any surpluses back into the housing business.

The continued approach of using an ear-marked reserve, as opposed to making a formal voluntary revenue provision (VRP), will allow the HRA to retain flexibility over the use of any resource that is available for set aside in the future.

Earmarked Funds – Capital Receipts

Right to Buy Attributable Debt Ear-Marked Capital Receipt

The HRA retains an element from all right to buy receipts over and above those assumed in the initial self-financing settlement, in recognition of the debt which the

authority holds in respect of the asset. The sums retained are held in a separate ear-marked capital balance, allowing them to be utilised to repay debt should the authority so choose, or alternatively reinvest as deemed appropriate.

Right to Buy Retained one-for-one Ear-Marked Capital Receipt

The Right to Buy Receipt Retention Agreement remains in force. To ensure that these resources are separately identified for re-investment, and if necessary, repayment purposes, an ear-marked balance exists to record the balance at the end of each reporting period.

Section 4

Housing Revenue Account Budget

Post-HRA MTFS 2016/17 Approvals

There were no revenue decisions impacting the Housing Revenue Account taken between the publication of the HRA Medium Term Financial Strategy (approved as part of the September / October committee cycle) and publication of this document. Such decisions, including any made under urgency arrangements, together with financial implications would be noted here.

Revised Budget 2016/17

The Housing Revenue Account (HRA) revenue budget for the current year (2016/17) was amended as part of the HRA Medium Term Financial Strategy in September 2016. It is not proposed to undertake a further review of current year activity as part of the budget setting process, but instead to report the position at outturn.

The only exceptions to this, are the need to recognise any impact in revenue terms of the need to revisit funding requirements for the Housing Capital Investment Plan in 2016/17 following some re-phasing of new build schemes and recognition that not all of the planned investment in our housing stock will now take place in year. This will result in an impact in both the level of depreciation transferrable in 2016/17 and in interest anticipated to be earned in 2016/17, with a net change of £229,650, as summarised in the table below.

It should also be recognised, that the accounting treatment in respect of some aspects of the current Housing Capital Investment Programme, result in the need to vire budgets for smoke detectors, external professional fees and fencing from capital to revenue, with a corresponding reduction in the level of direct revenue financing of capital to offset the change. This change will have a nil net effect overall, with the same level of expenditure still financed using revenue resources.

2016/17 Revised Budget	Original Budget January 2016 £	HRA MTFS September 2016 £	HRA BSR Proposed Changes £	HRA BSR January 2017 £
Net HRA Use of / (Contribution to) Reserves	1,750,610	1,751,610		
Savings / Increased Income			0	
Unavoidable Revenue Bids			0	
Non-Cash Limit Adjustments			(229,650)	
Revised Net HRA Use of / (Contribution to) Reserves				1,521,960
Variation on previously reported projection				(229,650)

The above figures include carry forward approvals from 2015/16 in the second column, in addition to changes approved as part of the Medium Term Financial Strategy in September 2016, with the net saving identified in the current year, as part of the January 2017 committee cycle, incorporated in the right-hand column.

The net reduction in costs for 2016/17 will result in a lower call on the use of Housing Revenue Account reserves than anticipated.

Overall Budget Position - 2017/18 onwards

Overall Budget Position

The overall revenue budget position for the Housing Revenue Account is summarised in the table below, with detail for the period to 2020/21 provided in **Appendix D (1)**:

Proposal Type	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Target Included	1,000,000	1,000,000	0%	0%	0%
Reduction required to meet Current Savings Target	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
2017/18 Budget Items					
Transformation Savings	(560,500)	(656,300)	(656,300)	(656,300)	(656,300)
Savings	(206,900)	(206,900)	(206,900)	(206,900)	(206,900)
Transformation Increased Income	(314,100)	(339,100)	(369,100)	(369,100)	(369,100)
Increased Income	(266,340)	(266,340)	(266,340)	(266,340)	(266,340)
Unavoidable Revenue Pressures	88,800	88,800	88,800	88,800	88,800
Reduced Income	17,500	17,500	17,500	17,500	17,500
Net Savings Position (above) / below Savings Requirement	(241,540)	637,660	607,660	607,660	607,660
Non-Cash Limit Adjustments	(190,100)	461,470	461,470	461,470	461,470
Net Position for the HRA (above) / below overall assumptions	(431,640)	1,099,130	1,069,130	1,069,130	1,069,130

Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example direct revenue funding of capital expenditure (DRF), investment income and depreciation. These items are treated outside of the 2017/18 cash limit, with the implications built into the financial forecasts for the HRA as part of the budget process, informing future budget strategy, savings targets and investment priorities. Full details of these for the period to 2020/21 are given in **Appendix D (1)**.

Performance against Savings Target

As in previous years, a savings target for the HRA as a whole was adopted. The target of £1,000,000 from 2017/18 and a further £1,000,000 from 2018/19 was set in the context of significant uncertainty in a number of areas of national housing policy. The need to reduce rents by 1% across all social rented housing for a further 3 years is confirmed, and this alone has a significant impact on the future projections for the HRA.

For 2016/17, the majority of savings required have been identified as part of the Housing Transformation Programme, which is the subject of a separate report to Housing Scrutiny Committee in this committee cycle.

These savings are summarised separately in the table above, alongside any additional proposals for 2017/18 which are included for decision as part of the HRA Budget Setting Report. Detail of these savings can be found in **Appendix D (1)**.

Additional savings that have been identified for 2017/18 are partially offset by the HRA reacting to unavoidable revenue pressures. The net position is an over-achievement against the savings target for 2017/18 of £431,640. With the new savings target of a further £1,000,000 included from 2018/19, the current proposals would result in the need to identify a further £1,099,130 from 2018/19 to meet this target, reducing to £1,069,130 from 2019/20. Again, detail of these can be found in **Appendix D (1)**.

No further savings target has been included for the years from 2019/20 onwards, recognising that the current Housing Transformation Programme will significantly reduce expenditure in the HRA, and that there is a critical mass which will need to be retained. This approach will be reviewed as part of the 2017/18 Medium Term Financial Strategy, by which point the impact of changes in national housing policy should be clear.

The result of corporate transformation activity may have a financial impact for the HRA in many cases, but the detail is not always available at the outset of each project. It is difficult to fully predict the impact in monetary terms of savings to the HRA from indirect service reviews, as the detail surrounding revised recharging mechanisms is not usually completed until the after the transformation activity is complete and resulting changes have been made. For prudence, any anticipated savings to the HRA are only included once the activity is confirmed corporately as being far enough progressed that some certainty can be given to the incidence of impact between the General Fund and the HRA.

Transformation Fund

For 3 years from 2016/17 a budget of £120,000 per annum was included in the Housing Revenue Account, to allow investment in service transformation projects and in spend to save initiatives, in light of the major changes in national housing policy.

The budget is being utilised to deliver the Housing Transformation Programme, and will need to meet any cost of change that service transformation incurs, including the potential for exit costs incurred as part of major service restructuring.

The responsibility for identification and approval of funding for suitable projects for this resource to be invested in, whether one-off, or ongoing in nature, is delegated to the Strategic Housing Advisor, who has specific responsibility for transformation of housing services, to ensure that the authority continues to meet statutory obligations and has a housing offer which is fit for purpose.

Section 5

Housing Capital Budget

Stock Condition and Decent Homes

The authority holds validated stock condition data for its housing stock, which is updated on a continual basis. There is still some work to do to ensure that the authority holds validated, accessible data in respect of the condition of communal areas.

The housing service reported achievement of the decency in the housing stock as at 31 March 2016 at 92%, with 553 properties that were considered to be non-decent (in addition to refusals). A further 379 properties were anticipated to become non-decent during 2016/17.

Budgets for discretionary investment in the housing stock have been reviewed in 2016/17, to ensure ongoing delivery of the agreed £100,000 reduction in expenditure as part of the budget setting process last year. The budget for hard surfacing of recycling areas was reduced in 2016/17, but as this budget was not ongoing in nature, reductions will need to be across other areas of discretionary investment going forward. Following the review it is proposed that budgets are reduced as follows:

- Fire Prevention / Fire safety Works £50,000
- Hard Surfacing (Health and Safety Works) £25,000
- Communal Areas Uplift £25,000

As part of the 2017/18 Budget Setting Report, recognition is also be given to the need to treat some aspects of Housing capital Investment Programme differently, in light of the nature of future expenditure.

Budgets in respect of smoke detectors, fencing and external professional fees, previously reported as part of the Housing Capital programme, are to be transferred to revenue, and included as part of the planned revenue repairs programme. This recognises, for example, that investment in smoke detectors is now predominantly revenue related, as the programme of initial installation is complete, and expenditure in the future will be in respect or repairs and replacements. Budgeting for external professional fees entirely in revenue will ensure that expenditure can be appropriately financed, irrespective of whether the professional advice results in investment in an asset or not. The transfer of revenue funding to capital will be reduced by a corresponding sum, with no change in the level of investment and no net impact on the HRA.

The Housing Capital Investment Plan has therefore been constructed and presented on this basis of the above changes.

Current financial assumptions are constructed on the basis that a partial investment standard is retained in the housing stock, but recognising that future consideration needs to be given to the impact of further reducing investment levels over the longer-term and returning to the basic decent homes standard, to provide flexibility to respond to the increased financial pressure that the HRA faces. The level of capital investment in the housing stock will be reviewed during 2017/18, as part of the next phase of the Housing Transformation Programme.

New Build Affordable Housing

New Build Schemes On Site / In Progress

Work continues to deliver the programme of HRA new build housing across the city. At the time of writing this report 174 new homes had been completed since April 2012, of which 10 were shared ownership homes.

Following early delays in delivery due to securing vacant possession and planning, there have been further delays during construction and handover. This has not only resulted in the need to re-phase some expenditure between years, but also impacts receipt of the anticipated future revenue streams for each of the sites. The contract clauses that allow for compensation for the loss of rental income (liquidated and ascertained damages) have been evoked in some cases, with invoices of £185,000 having been raised to the contractor to date.

The table below details the new build schemes and acquisitions completed to date:

Scheme	Date Completed	Approved Social Housing / SO Units	External Funding Source	Percentage Social Housing on Site
Jane's Court	November 2013	20	HCA Grant	59%
Anstey Way	January 2015	1	RTB Receipts	50%
Latimer Close	March 2015	12	HCA Grant	60%
Barnwell Road	July 2015	12	HCA Grant	59%
Campkin Road	March 2016	20	HCA Grant	63%
Stanesfield Road	March 2015	4	HCA Grant	50%
Atkins Close	June 2015	8	HCA Grant	100%
Wadloes Road	October 2015	6	RTB Receipts	100%
Colville Road (Acquisitions)	June 2015	6	RTB Receipts	76%
Atkins Close (Acquisitions)	June 2015	4	RTB Receipts	100%

Scheme	Date Completed	Approved Social Housing / SO Units	External Funding Source	Percentage Social Housing on Site
Wadloes Road (Acquisitions)	October 2015	3	RTB Receipts	100%
Colville Road	June 2016	19	HCA Grant	76%
Aylesborough Close	September 2016	20	HCA Grant	59%
Homerton	December 2016	39 (10 Shared Ownership)	RTB & Sales Receipts	40%
Total		174		

The table below summarises new build schemes currently on site and in progress, providing details of the anticipated costs and number of units that will be delivered on each site once complete:

Scheme	Approved Social Housing Units	Approved Shared Ownership Units	External Funding Source	Latest Funding Approved (Capital Cost net of Land Transfer)	HCA Grant, RTB Receipt and Sales Receipt Funding	Net Funding (Capital Cost net of Grant, Land Transfer, Sales and RTB Receipts)
Hawkins Road	9	0	RTB Receipts	1,413,720	(424,120)	989,600
Fulbourn Road	8	0	RTB Receipts	1,320,540	(396,160)	924,380
Ekin Road	6	0	RTB Receipts	1,091,740	(327,520)	764,220
Water Lane	14	0	HCA Grant	1,510,460	(719,000)	791,460
Clay Farm	78	26	RTB & Sales Receipts, HCA Grant	16,204,780	(6,163,809)	10,040,971
Total	115	26				

The Housing Capital Investment Plan, an updated version of which is attached at Appendix K, incorporates the funding for new build schemes as identified in the tables above. It recognises the need for gross spend on the affordable housing scheme, land

values, grant and right to buy receipts to be shown separately, and arriving at the net cash cost to the Council as per the table above. For these purposes the use of retained right to buy receipt is treated as an external funding source, recognising that failure to utilise it as statutorily required, would result in the need to pay the receipt over to Central Government.

As part of this HRA Budget Setting Report, approval to re-phase some budget in respect of Hawkins Road, Fulbourn Road and Water Lane is being sought.

Future New Build - Garage and In-Fill Sites

The current programme of garage and in-fill sites, originally approved in March 2015 and added to in June 2016, comprises a programme of 9 small sites, which are anticipated to deliver 21 new homes.

The table below confirms the sites included, with the latest budget approvals and assumed number of new homes which can be delivered, recognising that this is currently subject to both planning approval and procurement of a contractor for some of the sites.

Scheme	Site Type	Status	Current Budget Approval (£)	Potential New Build Units
Cadwin Fields and Nuns Way	In-fill	Awaiting planning	3,013,000	2
Cameron Road	Garage	Awaiting planning		6
Wiles Close	Garage	Awaiting planning		3
Tedder Way	In-fill	Consultation stage		2
Kendal Way	In-fill	Awaiting planning		2
Uphall Road	Garage	Awaiting planning, in-house build		2
Queensmeadow	In-fill	Pre-planning	709,000	1

Scheme	Site Type	Status	Current Budget Approval (£)	Potential New Build Units
Hills Avenue	In-fill	Pre-planning		1
Wulfstan Way	In-fill	Pre-planning		2
Total			3,722,000	21

As a pilot project, the Major Projects Team in Estates and Facilities are planning to deliver the new build housing on the site at Uphall Road using our own staff, subcontracting only those elements where we do not have sufficient expertise in house at this stage. If successful, it is intended to expand this operation in future years, in order to ensure that we make the best use of existing staffing resources and are able to continue to spread fixed overheads for the HRA across a wider service area.

Akeman Street

The scheme for the redevelopment of the mixed use HRA site in Akeman Street, where 10 new affordable homes were proposed in place of the current mixed commercial and residential development, providing only 2 social rented homes, is subject to an agreement to return to Housing Scrutiny Committee with a revised scheme.

The revised scheme is expected to have considered the density of units which could be re-provided on the site and whether any re-provision of commercial or community facility should be incorporated in the final scheme.

Anstey Way

The Anstey Way site continues to be subject to land assembly activity, with the Council in the process of buying back any leasehold dwellings on the site, whilst also actively re-housing existing tenants in new homes. At the time of drafting this report, 4 of the 5 leasehold flats had been re-acquired, 6 of the 7 tenanted flats and 15 of the 16 tenanted bungalows had been vacated.

Once the site has been vacated, the bungalows, as a minimum, will be demolished to avoid any unlawful occupation or anti-social behaviour in the locality.

Following deletion of the original new build scheme presented for Anstey Way, when changes in national housing policy adversely impacted the financial position for the HRA in 2015, a budget of £3,110,000 was ear-marked in the Housing Capital Investment Plan towards the cost of re-developing the site, pending a revised scheme being proposed. As part of this Budget Setting Report, the level of resource ear-marked for investment has been increased by a further £1,740,000, to provide total funding of £4,850,000.

This level of funding is anticipated to allow for the demolition of the existing homes and the re-provision of 23 of the existing dwellings, being those which were previously occupied as social housing, and therefore not eligible to be re-provided using retained right to buy receipts.

This will ensure that when a revised scheme is brought forward, there will be sufficient resource in the programme to build out the entire site, using a combination of HRA resources as identified above for the element of re-provision and devolution funding and retained right to buy receipts for any additionality.

Devolution Grant and RTB Funding - New Build Schemes

Sufficient investment and top up resource to ensure that the authority could appropriately spend all right to buy receipts held up to the end of June 2016 was incorporated into the Housing Capital Investment Plan as part of the HRA Medium Strategy in September.

Following formal approval of the devolution offer by the remaining 2, of the 7 authorities on 22nd November 2016, the new build programme funded by retained right to buy receipts has been replaced with a devolution programme, which utilising the

£70,000,000 grant anticipated to be received over the next 5 years, existing and anticipated right to buy receipts and some of our own resource, is expected to deliver a programme of 500 new homes.

This programme has been incorporated into the Housing Capital Investment Plan based upon the assumption that investment will begin from April 2017.

Updated expenditure and funding sources, on a cashflow basis, for all new build schemes are detailed at **Appendix H**.

Asset Acquisitions & Disposals

Consideration continues to be given to the strategic acquisition or disposal of assets, in line with the HRA Acquisition and Disposal Policy.

The capital receipt generated by a strategic disposal can currently be retained in full by the authority, subject to utilising it to invest in affordable housing, with receipts recognised only at the point of receipt and after all relevant costs have been provided for. As part of the quarterly decision as to whether the authority should retain right to buy receipts, pass them to a registered provider, or as a last resort pay them over to central government, future anticipated receipts are considered, recognising the risks inherent in making these assumptions.

The authority still expects to be compelled to sell a proportion of its vacant housing stock as part of Higher Value Voids Levy, but awaits detailed regulations. The Acquisition and Disposal Policy will be reviewed once guidance is available in this regard.

As part of the decision as to whether to retain or return right to buy receipts at the end of September 2016, recognitions was given to the delay in bringing forward some of the

anticipated new build schemes and the risks that the authority faces in respect of the potential to need to pay receipts over to central government with penalty interest.

As a direct result, it was agreed, under delegation, to use the remainder of the 2016/17 new build or acquisitions budget, which hasn't currently been allocated to specific schemes, to acquire a number of dwellings on the open market. Attention is being focussed primarily in acquiring ex Council flats in blocks where the authority still owns the freehold.

The following table identifies assets that have recently been, or are being, considered for market acquisition or disposal:

Acquisition / Disposal	Comment	Status
23 Magrath Avenue	3-bedroom house in need of investment, approved for disposal on the open market	Sold
188 Kendal Way	3-bedroom house currently owned by the County Council approved for acquisition (linked to 12 Mortlock Avenue)	In progress
12 Mortlock Avenue	3-bedroom house currently leased to the County Council approved for disposal to the County (linked to 188 Kendal Way)	In progress
1 Ferry House	2-bedroom house approved for disposal	Awaiting sale
33 Atkins Close	2-bedroom maisonette in good condition approved for acquisition using right to buy receipts	Completed
82 Verulam Way	2-bedroom flat in need of decent homes works approved for acquisition using right to buy receipts	Completed
1-bed in Arbury	1-bedroom flat in Arbury in good condition approved for acquisition using right to buy receipts	Offer accepted
2-bed in Abbey	2-bedroom flat in Abbey, in need of decent homes works approved for acquisition using right to buy receipts	Offer accepted
2-bed in Trumpington	2-bedroom flat in Trumpington, a strategic investment approved for acquisition using right to buy receipts	Offer accepted

Acquisition / Disposal	Comment	Status
1-bed in Coleridge	1-bedroom flat in Coleridge, in need of decent homes works approved for acquisition using right to buy receipts	Offer accepted

Capital Bids, Savings and Re-Phasing

There are capital bids incorporated as part of the 2017/18 HRA Budget Setting Report, alongside a number of areas of re-allocation and re-phasing.

Detailed changes are presented in **Appendix E**, with the overall financial and presentational impact of the following items being incorporated into the Housing Capital Investment Plan presented at **Appendix K**:

- Inclusion of a bid for £222,000, including fees and contract overheads, to fund balcony resurfacing and structural repairs in flats in Kings Hedges and North Arbury.
- Inclusion of a bid for £500,000, funded from existing repair and renewals funds, to allow the re-procurement of the housing management information system, jointly with South Cambridgeshire District Council.
- Increase of £52,000 in the budget for award of Disabled Facilities Grants in 2017/18, on the basis that additional funding is anticipated from the County Council through the Better Care Fund. Delegated authority is sought to increase the budget during 2017/18 if funding through the Better Care Fund is increased further, as the financial viability of the Shared Home Improvement Agency is dependent upon maximum delivery of grants.
- Inclusion of £602,000 of resource for Disabled Facilities Grants through the Better Care Fund for 2017/18, with future years dependent upon a major review by the County Council and Home Improvement Agencies.

- Virement of budgets for smoke detectors, external professional fees and fencing, previously reported in the Housing Capital Investment Plan, to instead be reported as planned revenue repairs due to the nature of the work involved.
- Inclusion of a 5 year new build programme utilising both anticipated devolution grant and retained right to buy receipts, removing the old right to buy investment programme and the assumption that right to buy receipts will be passed to registered providers as a direct result.
- Inclusion of additional ear-marked resource in the sun of £1,740,000 to fund re-provision of the existing 23 social housing dwellings on the Anstey Way site, allowing the full revised scheme to be brought forward as soon as possible.
- Re-phasing of new build schemes at Hawkins Road, Fulbourn Road, Water Lane and Clay Farm (Virido), recognising further delays on some of these sites, and the latest payment profiles for others.
- Re-phasing of the budget for the refurbishment of the Ditchburn Place scheme, where preparatory work is now in progress, but the full build is expected to take up to 30 months.
- Adjustment to the level of resources held for works to new build dwellings and to meet the cost of inflation, as a result of the changes above.

Section 6

HRA Treasury Management

Background

Statutorily, the Housing Revenue Account is required to set a balanced budget, including recognition of the revenue implications that arise from capital financing decisions, and is also required to review this budget again during each year.

The Housing Capital Investment Plan provides an indication of any borrowing requirement, ensuring that this can be incorporated in the Council's overall borrowing assumptions and Treasury Management Strategy.

HRA Borrowing

As at 1 April 2016, the Housing Revenue Account supported external borrowing of £213,572,000 in 20 maturity loans with the Public Works Loans Board (PWLB), with rates ranging between 3.46% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £10,678,600 due to be repaid on 28th March 2038, and the last on 28th March 2057.

In addition to the external loans attributable to the HRA, there was the sum of £884,511 of internal borrowing from the General Fund, where the HRA is required to pay the General Fund annual interest on the debt, at a reasonable rate, as part of the Item 8 Debit to the HRA.

The Housing Revenue Account is still subject to an overall debt cap of £230,839,000, which allows borrowing headroom of £16,090,750. With the impact of anticipated changes in national housing policy incorporated into financial plans, additional borrowing is unlikely to be called upon in the short-term. The financial forecasts suggest that the authority will be forced to utilise this borrowing power in the later years of the business plan simply to maintain the existing property portfolio in a decent condition, unless assumptions change or further savings can be identified across the HRA in the intervening period.

If devolution goes ahead, a different approach to using the borrowing headroom may be adopted, as the additional homes delivered through this mechanism may be sufficient to support the additional borrowing as part of their creation.

However, with Devolution yet to be finally agreed, the 2017/18 HRA Budget Setting Report does not review the potential sources of lending, types of borrowing, lengths of loans or rates available, for taking out any additional borrowing at this stage.

Debt Repayment / Re-Investment

Set-Aside for Repayment of HRA Debt

The current debt repayment strategy is to attempt to set-aside sufficient resource to redeem 25% of the HRA debt from the point at which the loan portfolio begins to mature, in 2037/38.

The approach to set-aside for debt redemption is being reviewed as part of the Housing Transformation Programme, with the expectation that recommendations in this regard will be included in the Medium Term Financial Strategy in September 2017.

To retain flexibility, any surplus generated since April 2012, and any further resource that can be identified for future debt repayment, is not formally set-aside, but is instead held in an ear-marked reserve to allow for either repayment of debt or future re-investment.

Section 7

Summary and Overview

Equality Impact Assessment, Uncertainties and Risk

Equality Impact Assessment

Under current legislation, local authorities continue to have legal duties to pay 'due regard' to the need to eliminate discrimination and promote equality with regard to race, disability, gender, including gender reassignment, age, sexual orientation, pregnancy / maternity, and religion or belief as well as to promote good race relations, and to demonstrate this in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard'.

As part of this Budget Setting Report, an Equality Impact Assessment has been undertaken in respect of all new 2017/18 HRA Budget proposals, where any impact is anticipated. The assessment identifies the impact a proposal may have, any mitigation available and includes an action plan identifying how negative impact can be addressed. All Equalities Impact Assessments are available on the Council's website. The Equalities Impact Assessment for the HRA budget as a whole, is presented at **Appendix L**.

Risk Assessment

To ensure that the authority is able to sustain a financially viable Housing Revenue Account, it is imperative that consideration is given to the level of internal and external risks that the housing service is subject to.

Update of the key risks and associated mitigating actions is presented at **Appendix F**.

HRA Reserves

Housing Revenue Account General Reserves

General reserves are held partly to help manage risks inherent in financial forecasting and budget-setting. These risks include changes in legislative and statutory requirements, inflation and interest rates, unanticipated service needs and, rent and other income shortfalls and emergencies, such as uninsured damage to the housing stock. In addition, reserves may be used to support the Housing Capital Investment Plan and, in the short-term, to support revenue spending, for example to spread the impact of savings requirements over more than one financial year or to invest up front in a project that is anticipated to pay back over a period of time or deliver future savings.

The Local Government Act 2003, requires the Chief Financial Officer to report on the adequacy of reserves and provisions and the robustness of budget estimates.

For the Housing Revenue Account the target level of reserves of £3m, with a minimum level of reserves of £2m, is proposed to be retained, recognising the need to safeguard the Council against the higher levels of risk and uncertainty in the current financial and operational environment for housing.

Financial Assumptions and Sensitivity

The current financial assumptions, reviewed and used as part of this BSR are detailed in Appendix A, and are derived from information available at the time of preparing this report, utilising both historic trend data and specialist expert advice and opinion, where required.

In making financial assumptions, there will always be a number of alternative values that could have been used. To mitigate the risks associated with this, modelling of key sensitivities is undertaken to provide context to the financial impact that a change in an assumption will make.

Appendix I provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2017/18.

Options and Conclusions

Overview

The budget for 2017/18 has been constructed in the wider context of the national position for social housing, with the authority still seeking to achieve a balance in investment against the previously agreed priorities:

- Investment in the existing housing stock
- Investment in new affordable housing
- Investment in new initiatives and income generating activities
- Spend on landlord services (i.e. housing management, responsive and void repairs)
- Spend on discretionary services (i.e. support)
- Support for, and potential repayment of a proportion, of housing debt

Continued rent cuts for a further 3 years, coupled with uncertainty in respect of regulation for some other changes in national housing policy, still pose significant financial challenges for the future of the HRA.

The work being undertaken as part of the Housing Transformation Programme seeks to respond to these financial challenges, with a number of recommendations for significant service change, the subject of a separate report in this committee cycle, being proposed from 2017/18.

Other Considerations – Pension Fund Contributions

The council is an employing authority within the Cambridgeshire Local Government Pension Scheme. Contributions to the scheme are subject to revision following regular triennial valuations. The latest valuation, which will determine contributions for the years 2017/18, 2018/19 and 2019/20, is now available in draft and is subject to discussion and agreement with the scheme actuary. Initial indications are that pension contribution rates will be agreed within available budgets for these years and therefore no budget proposals are required.

The council has the opportunity to consolidate lump sum deficit recovery payments due in the three year period into one payment in 2017/18. This would reduce the amount paid in total and is likely to provide a better 'return' on cash than is currently available through the approved investment strategy. The viability of this approach will depend on actuarial and technical accounting considerations which are currently under investigation.

Summary and Conclusions

The work undertaken as part of both the Housing Transformation Programme and the 2017/18 budget process to date, has resulted in the development of proposals for the base budget of the Housing Revenue Account.

In January 2017 Housing Scrutiny Committee will consider the budget proposals, prior to the Executive Councillor for Housing making decisions in respect of the revenue aspects

of the budget, making recommendation for the housing capital budget for 2016/17 to 2021/22 to Council for consideration and approval.

The HRA Budget Setting Report recommends, in summary:

- Approval of property rents, garage and parking space rents and service charges
- Approval of the revised budget proposals
- Approval of the unavoidable revenue pressure proposals
- Approval of the housing transformation proposals
- Approval of the general savings proposals
- Approval of increased income proposals
- Approval of the non-cash limit items
- Approval of the capital bids, revised scheme costs and timings
- Approval of capital resource re-allocation

The meeting of Council on 23rd February 2017 will consider the final proposed Housing Capital Budget as identified in this report for approval.

A significant proportion of the savings identified in the HRA from 2017/18 are brought forward as part of the Housing Transformation Programme, which seeks to ensure a sustainable HRA over the longer-term.

As part of the 2017/18 budget process, additional savings have been identified in other operational areas of the HRA, including reductions in the cost of gas servicing, reduced budgets in respect of energy initiatives and operational costs for the Independent Living Service. Increased rent and service charge income has been identified, due to higher than anticipated rental levels as a result of delays in the implementation of the higher value voids levy, full cost recovery from leaseholders and the agreed lease of an HRA dwelling for commercial purposes.

These savings are partially offset by unavoidable revenue pressures, predominantly due to loss of support income, discontinuation of the use of the Day Centre at Ditchburn Place, reduced recharges to the General Fund for shared amenities and the costs of inspections of lamp columns on housing estates, to mitigate risk.

Non-cash limit adjustments in respect of depreciation, revenue funding of capital expenditure and anticipated interest receipts and payments reduce the net revenue cost of the HRA for 2017/18 and beyond.

The overall position for the HRA for 2017/18 (including non-cash limit adjustments) is over-achieved by £431,640, but this level of over-achievement is not ongoing, with a shortfall against the 2017/18 cash limit of £99,130 in 2018/19. With a further savings target of £1,000,000 included from 2018/19, there is currently a shortfall against the 2018/19 cash limit of £1,099,130.

It is recognised, however, that to deliver further savings, the authority may need to accept significant changes in the level at which services are provided, or in the way in which services are delivered.

The inclusion of the assumption that devolution goes ahead following approval by all 7 authorities, resulting in a programme of 500 new homes over the next 5 years, coupled with the recent announcement that the authority will not be required to make a higher value voids levy payment during 2017/18, has a positive impact on the financial forecast for the Housing Revenue Account.

The HRA's approach to long-term financial planning still incorporates the assumption that any surplus resource will be set-aside in the first instance, until 25% of the loan portfolio can be redeemed at maturity, with any balance available for re-investment in income generating assets, whilst also maintaining reasonable financial assumptions in ongoing investment need in the current housing stock.

In 2017/18, the revenue resource that would have been required to fund new build expenditure should devolution not have gone ahead, is proposed to be transferred into the potential debt redemption / new build reserve. This will, in part, mitigate the risk that could arise from any delay, or lead in, to delivery of new homes using devolution grant, which might otherwise result in a requirement to pay retained right to buy receipts over to central government, with an interest penalty attached. The reserve can then be called upon, if required, to allow acquisition of existing homes on the open market as has taken place in 2016/17.

There is still uncertainty in other areas of national housing policy change, with regulations surrounding the introduction of compulsory fixed term tenancies and the deferred sale of higher value voids levy still awaited. As part of welfare changes, the impact of direct payment through Universal Credit is also yet to be fully quantified and realised.

It is considered prudent, therefore, as part of the next phase of the Housing Transformation Programme in 2017/18, to review the HRA strategic priorities again once some policy change has been implemented and further detail is available in some of the areas where uncertainty still exists.

Any review of the level of savings sought for future years would need to consider not only the need to sustain a 30 year business plan, but also any aspiration for delivery of new build housing from 2022/23 onwards, and an approach as to whether the authority wants to continue to set-aside any resource for the redemption of a proportion of the housing debt.

Business Planning Assumptions

Appendix A

Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	1.9% for 2017/18, then 2.4% ongoing	General inflation on expenditure included at 1.9% for 2017/18, rising to 2.4% from 2018/19 ongoing, per OBR (Office for Budgetary Responsibility) forecasts.	Retained
Capital Inflation	3.7% for 3 years, 4.6%, 6.4%, then 4.5% ongoing	Based upon the BCIS forecast for the next 5 years, using an average over this period as the ongoing assumption	Retained
Debt Repayment	Set-aside 25% to Repay Debt	Assumes surplus is re-invested in income generating assets, with 25% of resource set-aside to repay debt as loans reach maturity dates, pending review of the set-aside policy as part of the Housing Transformation Programme.	Retained
Capital Investment	Reduced Partial Investment Standard	Base model assumes a reduced partial investment standard in the housing stock, compared with a basic decent homes standard. This will be reviewed again during 2017/18.	Retained
Pay Inflation	1.9% Pay Progression plus: 2017/18 – 1.0% 2018/19 – 1.0% 2019/20 – 1.0% 2% ongoing	Assume allowance for increments at 1.9%. Pay inflation for four years from 2016/17 limited to 1% reflecting recent Government guidance, and a return to 2% thereafter, reflecting economic recovery.	Retained
Employee Turnover	0% (3% transitional only)	Employee budgets assume a turnover saving of 3.0% of gross pay budget only until service restructure, at which point this assumption is removed	Retained
Social Rent Review Inflation	-1% from 2017/18 for 3 years, then CPI plus 1% for 4 years, then CPI plus 0.5% from	Rent decreases of 1% per annum in line with government guidelines from 2016/17 to 2019/20, then CPI plus 1% until the end of the 10 year period, reverting to inflation plus 0.5% after this. Assume CPI in preceding September is as above.	Retained

Key Area	Assumption	Comment	Status
	2024/25		
Affordable Rent Review Inflation	0% for 2017/18 for 3 years, then CPI plus 1% for 4 years, then CPI plus 0.5% from 2024/25	Affordable rents are expected to be reviewed annually, and re-set at up to 80% of market rent	Amended
Rent Convergence	Void Only	Ability to move to target rent achieved only through movement of void properties directly to target rent.	Retained
External Lending Interest Rate	1%, 1.11%, 1.3% then 1.36% ongoing	Interest rates based on latest market projections, including the impact of additional CCLA investment.	Amended
Internal Lending Interest Rate	1%, 1.11%, 1.3% then 1.36% ongoing	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment the General Fund over the longer term.	Amended
External Borrowing Interest Rate	2.4% for 2016/17, 2.5% for 2017/18, then 2.7% ongoing	Assumes additional borrowing using Capita predictions of PWLB rates, rising to 2.7% over the next 3 years, including assumed certainty rate.	Retained
Internal Borrowing Interest Rate	2.4% for 2016/17, 2.5% for 2017/18, then 2.7% ongoing	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Retained
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, pending a review once the impact of the higher value voids levy and other housing policy changes are clear.	Retained
HRA Target Balances	£3,000,000	Maintain HRA target balance at £3,000,000, pending a review once the impact of the higher value voids levy and other housing policy changes are clear.	Retained
Right to Buy Sales	55, 50, 45, 40, 35, 30, then 25 sales ongoing	Pay to Stay expected to sustain a higher level of activity. Assume 55 for 2016/17, reducing by 5 sales per annum, until 25 are assumed ongoing.	Retained

Key Area	Assumption	Comment	Status
Right to Buy Receipts	Settlement right to buy and assumed one-for-one receipts included	Debt settlement receipts included, assuming the receipts utilised partly for general fund housing purposes. Anticipated one-for-one receipts included, but with only those received to date ear-marked for direct new build spend. Debt repayment proportion assumed to be set-aside.	Retained
Void Rates	1% for 2017/18, 0.88% for 2018/19, then 0.4% ongoing	Assumes 1% in 2017/18, reducing to 0.88%, then 0.84% from 2019/20, recognising improved void processes,	Amended
Bad Debts	0.56% for 2016/17, then 0.84% for 2017/18 and 1.12% ongoing	Bad debt provision increased by 100% long term, to reflect the requirement to collect 100% of rent directly, assuming an extension of the existing payment profile across the entire housing stock as Direct payment is implemented from 2016.	Retained
Savings Target	£1,000,000 for 2017/18 and 2018/19, then removed	2 year target included assuming the need to offset loss of rental income and sale of higher value voids. Similar pressure to reduce spending may exist longer term.	Retained
Responsive Repairs Expenditure	Adjusted pro rata to stock changes	An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers.	Retained
Transformation Fund	£120,000 for 2 further years from 2017/18	Housing Transformation / Spend to Save Fund for 2 further years, with delegation to the Strategic Advisor to Housing.	Retained
Service Reviews	On case by case basis	Service review outcomes assumed to deliver to the HRA as indicated in the review business case.	Retained

Service Charges

Appendix B

Charge Description	Charges 2016/17	Charge Basis	Charges 2017/18
General Stock			
Caretaking Charge	£2.96 to £4.89	Per Week Over 48 Weeks	A
Building Cleaning	£0.01 to £5.75	Per Week Over 48 Weeks	D
Estate Services Champion	£0.16 to £0.47	Per Week Over 48 Weeks	A
Door Entry	£0.14 to £1.54	Per Week Over 48 Weeks	A / B
Passenger Lifts	£0.47 to £2.33	Per Week Over 48 Weeks	A / B
Gas Maintenance / Servicing	£2.17	Per Week Over 48 Weeks	A / B
Digital TV Aerial Charge	£0.39	Per Week Over 48 Weeks	A
Grounds Maintenance	£2.75 to £13.65	Per Week Over 48 Weeks	A
Communal Electricity	£0.16 to £1.92	Per Week Over 48 Weeks	E
Community Alarm Charge	£4.65	Per Week Over 48 Weeks	C
General Sheltered Schemes			
Premises Charge	£0.72 to £24.59	Per Week Over 48 Weeks	A
Communal Heating / Lighting	£2.27 to £7.97	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£4.88 to £11.33	Per Week Over 48 Weeks	A
Water	£2.13 to £4.20	Per Week Over 48 Weeks	A
Grounds Maintenance	£0.97 to £2.43	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£2.80 to £5.11	Per Week Over 48 Weeks	B
Sheltered Support Charge	£6.25 to £7.71	Per Week Over 48 Weeks	C
Sheltered Alarm Charge	£1.70	Per Week Over 48 Weeks	A
Landlord Emergency Contact	£1.05	Per Week Over 48 Weeks	A
Ditchburn Place			
Premises Charge	£2.16 to £52.16	Per Week Over 48 Weeks	A
Flat Cleaning / Laundry Charge	£28.53	Per Week Over 48 Weeks	A

Communal Heating / Lighting	£0.69 to £6.46	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£5.92 to £12.49	Per Week Over 48 Weeks	A
Water	£2.94 to £9.30	Per Week Over 48 Weeks	A
Catering	£123.25	Per Week Over 48 Weeks	A
Grounds Maintenance	£1.81	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£2.63	Per Week Over 48 Weeks	B
Sheltered Support Charge	£7.71	Per Week Over 48 Weeks	C
Extra Care Support Charge	£26.47	Per Week Over 48 Weeks	C
Alarm Charge	£1.70	Per Week Over 48 Weeks	A
Landlord Emergency Contact	£1.05	Per Week Over 48 Weeks	A
Launderette – Wash / Dry	£6.50	Per Load As Requested	A
Temporary Accommodation			
Premises Charge	£30.38 to £59.61	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£12.75 to £27.09	Per Week Over 48 Weeks	A
Water	£7.34 to £11.02	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£3.78 to £7.64	Per Week Over 48 Weeks	B
Independent Living Services			
Private Lifelines - In City	£4.65	Per Week Over 52 Weeks	£4.65
Private Lifelines - Out City	£7.53	Per Week Over 52 Weeks	£7.53
Keysafe / Keyholding Charge	£2.68	Per Quarter	£2.68
Monitoring Charge	£0.38	Per Week Over 52 Weeks	£0.38
Leasehold Charges for Services			
Solicitors' pre-sale enquiries	£110.00	As Requested	£110.00
Copy of lease	£30.00	As Requested	£30.00
Re-mortgage Enquiry/Copy of Insurance schedule	£30.00	As Requested	£30.00
Notice of Assignment / Notice of Charge	£75.00	As Requested	£75.00

Deed of Variations	£150.00	As Requested	£150.00
Home Improvements – Administration Only	£30.00	As Requested	£30.00
Inclusive of Surveyor Visit	£125.00	AS Required	£125.00
Retrospective consent for improvements	Above + £25.00	As Requested	Above +£25.00
Registering sub-let details	£50.00	As Requested	£50.00
Initial Administration Fee/Survey for Application to purchase Loft Space	£170.00	As Requested	£175.00

Key	
A	These charges are currently (or will be - in the case of any new charges), based on recovering the actual cost of service provision and the proposal is to continue to recover the full estimated cost of providing these services in 2017/18. The exception to this will be in respect of affordable homes, where total rents and service charges will be limited to Local Housing Allowance levels, and therefore full cost recovery will not be possible.
B	These charges were separated out from rent in 2004/05. Charges can be increased to recover up to full cost, recognising that the authority should endeavour to limit increases to inflation at 2% (CPI at September 2016 plus 1%)
C	Charges levied for support activities will be reviewed in line with services being provided following expansion of the support service for older people, where the County Council now commission services across the city as a whole.
D	Charges for building cleaning (communal cleaning and window cleaning) have been phased to full cost recovery, starting in August 2015, with the final stage from April 2017 when full costs will be recharged.
E	Communal electricity only recharged in new build schemes in 2016/17, to be introduced for existing flats from April 2017.
	Charges for the optional household contents insurance scheme will continue to be determined by the insurer but notified to tenants by the Council.

HRA Earmarked & Specific Funds

Appendix C

HRA Earmarked & Specific Revenue Funds (£'000)

Repairs & Renewals

	Opening Balance	Contributions	Expenditure to October	Current Balance
General Management	(912.6)	(76.9)	6.7	(982.8)
Special Services	(870.1)	(139.6)	27.3	(982.4)
Repairs and Maintenance	(248.8)	(57.6)	0	(306.4)
Total	(2,031.5)	(274.1)	34.0	(2,271.6)

Tenants Survey

	Opening Balance	Contributions	Expenditure to October	Current Balance
Tenants Survey	(25.9)	(6.2)	3.5	(28.6)

Debt Set-Aside (Revenue)

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

HRA Earmarked & Specific Capital Funds (£'000)

Debt Set-Aside (Capital)

	Opening Balance	Contributions	Expenditure to October	Current Balance
Debt Set-Aside	(5,079.3)	(600.3)	0.0	(5,679.6)

Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to October	Current Balance
MRR	(3,269.9)	0.0	0.0	(3,268.9)

2017/18 Budget - All HRA Revenue Items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
Savings								
Housing - HRA								
S3876	Savings in operational costs for City Homes	0	(15,500)	(15,500)	(15,500)	(15,500)	Tom Bremner	Nil
<p><i>This saving includes reduced spending in respect of day to day operational and office based costs for City Homes, in areas such as utilities, purchase of equipment, stationery and telephones.</i></p>								None
S3880	Savings in energy related initiatives across the HRA	0	(7,100)	(7,100)	(7,100)	(7,100)	Trevor Burdon	-L
<p><i>It is proposed to reduce the budget for new energy related initiatives and energy efficiency promotional activity across the HRA, in line with spending levels in prior years, recognising that there is limited staffing capacity to increase activity in this area currently. Any identified increase in activity could be funded from the additional income generated from existing energy efficiency measures, such as photo-voltaic panels.</i></p>								None
S3881	Reduction in gas servicing, safety inspection and maintenance contract costs	0	(197,800)	(197,800)	(197,800)	(197,800)	Lui Graziano	Nil
<p><i>An exercise to tender for a new gas maintenance supplier has resulted in a significant reduction in anticipated contract costs, with a move to a fixed price arrangement for the basic works required. This saving benefits the HRA, as service charges to tenants have had limitations in increases over the last 12 years, and therefore the contract reduction means that service charges will now recover costs in full.</i></p>								None
S3882	Reduction in costs anticipated from major restructure of the Housing Service	0	(228,700)	(305,000)	(305,000)	(305,000)	Tom Bremner	Nil
<p><i>A significant restructure of the Housing Service is anticipated, which will deliver savings to the HRA from July 2017. These savings, along with other reductions in the HRA, are unavoidable given the need to balance the HRA on a reduced projected income, following changes imposed on the Council by Government.</i></p>								None
S3886	Restructure of Estates and Facilities	0	(220,300)	(239,800)	(239,800)	(239,800)	Trevor Burdon	Nil
<p><i>A restructure of Estates and Facilities is anticipated, which will deliver savings to the HRA from July 2017. These savings, along with other reductions in the HRA, are unavoidable given the need to balance the HRA on reduced projected income, following changes imposed on the Council by government. From 2018/19, the ongoing saving is reduced to recognise the desire for the HRA to continue to fund repairs apprentice roles, which are currently funded corporately.</i></p>								None
S3887	Improved procurement using new in-house Stores Team	0	(41,500)	(41,500)	(41,500)	(41,500)	Trevor Burdon	Nil
<p><i>Following restructure of the Stores Team, and re-located to Lowley Road, improved procurement and supply chain management are anticipated to deliver savings to both the General Fund and the HRA.</i></p>								None

2017/18 Budget - All HRA Revenue Items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

S3888	Restructure of the Stores Team	0	(22,200)	(22,200)	(22,200)	(22,200)	Trevor Burdon	Nil
	<i>A restructure of the Stores Team is anticipated to reduce staff numbers by one full time equivalent post, delivering savings to both the General Fund and the HRA.</i>							None
S3889	Savings in operational costs for the Independent Living Service	0	(2,000)	(2,000)	(2,000)	(2,000)	Frances Swann	Nil
	<i>This saving includes reduced spending in respect of day to day operational and office based costs for the service, in areas such as stationery and IT costs.</i>							None
S3892	Reduction in Resident Involvement expenditure	0	(7,800)	(7,800)	(7,800)	(7,800)	Sandra Farmer	Nil
	<i>It is proposed to combine the Annual Report in one of the issues of Open Door, to reduce printing and mailing costs, whilst key information is still communicated. A reduction in IT and Resident Association grants is also proposed, reducing budgets in line with prior year expenditure, with no impact therefore on service levels.</i>							None
S3894	Reduction in Technical Services operational costs	0	(18,000)	(18,000)	(18,000)	(18,000)	Trevor Burdon	Nil
	<i>A review of spending in prior years has resulted in the proposal to reduce operational budgets in this area, to include reductions in travel, printing, stationery, training, telephones and equipment purchase costs.</i>							None
S3895	Savings in the budget identified for transformation of the HRA	0	(6,500)	(6,500)	(6,500)	(6,500)	Liz Bisset	Nil
	<i>Removal of the inflationary element of the transformation budget results in the ability to offer a saving to the HRA.</i>							None
Total Savings in Housing - HRA		0	(767,400)	(863,200)	(863,200)	(863,200)		
Total Savings		0	(767,400)	(863,200)	(863,200)	(863,200)		

2017/18 Budget - All HRA Revenue Items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings	
Increased Income									
Housing - HRA									
I13872	Recognition of roof rental income from mobile telephone aerials installed on HRA flat blocks	0	(9,500)	(9,500)	(9,500)	(9,500)	Sandra Farmer	Nil	
		A decision during 2015/16 to remove the ear-marked reserve in respect of aerial income to the HRA results in the ability to recognise the net income from the aerials in the HRA revenue budgets each year.							None
I13874	Reduction in Anti-Social Behaviour (ASB) costs to the HRA	0	(59,800)	(59,800)	(59,800)	(59,800)	Lynda Kilkelly	Nil	
		A review of the incidence of activity between the General Fund and the HRA in respect of Anti-Social Behaviour and Community Cohesion results in a reduction in cost to the HRA, but a corresponding reallocation and increase in cost to the General Fund, ahead of a review of Anti-Social Behaviour work and priorities in 2017/18.							None
I13877	Introduction of tenanted service charges for Communal Electricity and Grounds Maintenance	0	(99,300)	(99,300)	(99,300)	(99,300)	Julia Hovells	Nil	
		A proposal to separately identify and service charge tenants in flats for the supply of communal electricity and grounds maintenance services, in line with charges already passed to leaseholders, and in recognition that these services are provided to these tenants only.							None
I13883	Increased income in respect of Estates and Facilities Special Projects Team	0	(100,000)	(100,000)	(100,000)	(100,000)	Trevor Burdon	Nil	
		A pilot project is underway which, if successful, will see the Special Projects Team undertaking new build housing on behalf of the HRA within existing staffing resources, and therefore generating additional income for the HRA in the form of increased capitalised staff costs. This has the potential to generate greater additional income in future years if successful.							None
I13884	Increase rechargeable repairs cost recovery	0	(25,000)	(35,000)	(50,000)	(50,000)	Trevor Burdon	Nil	
		The introduction of improved working practices following the anticipated Housing Services restructure, and better charging mechanisms are anticipated to allow best cost recovery in respect of repairs that should be fully rechargeable to tenants, particularly at tenancy termination.							None
I13885	Increased rental income as a direct result of reduced void times	0	(30,000)	(45,000)	(60,000)	(60,000)	Julia Hovells	Nil	

2017/18 Budget - All HRA Revenue Items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Increased Income

Proposed changes to the way in which Housing Services and Estates and Facilities manage the void property process are expected to reduce void turnaround times and therefore generate higher levels of rental income. None

II3893	Increased leasehold service charge income to the HRA	0	(60,000)	(60,000)	(60,000)	(60,000)	Julia Hovells	Nil
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Estimated service charge income for 2017/18 is expected to be higher than budgeted, due predominantly to recovery of full costs from leaseholders for building cleaning, estate services, management costs and communal repairs, where the latter is now being identified more accurately against blocks. None

II3928	Increased commercial property rent income to the HRA	0	(14,100)	(14,100)	(14,100)	(14,100)	Julia Hovells	Nil
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Additional rent income is anticipated in 2017/18 in respect of HRA commercial property, as a direct result of a decision to lease the "Engineer's House" on Riverside to the Museum of Technology as a commercial concern, coupled with anticipated rent reviews for existing leases. None

II3929	Increased dwelling rent income to the HRA	0	(182,740)	(182,740)	(182,740)	(182,740)	Julia Hovells	Nil
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Additional rent income is anticipated in 2017/18 as a direct result in the delay in the release of regulations in respect of the Government proposal to impose their higher value voids levy. This may increase if the regulations are further delayed, or result in a levy that is different to our current assumptions. None

Total Increased Income in Housing - HRA	0	(580,440)	(605,440)	(635,440)	(635,440)			
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Total Increased Income	0	(580,440)	(605,440)	(635,440)	(635,440)			
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2017/18 Budget - All HRA Revenue Items

Page 5 of 8

Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Unavoidable Revenue Pressure

Housing - HRA

URP3873	Increased legal costs in respect of Anti-Social Behaviour	0	5,800	5,800	5,800	5,800	Lynda Kilkelly	Nil
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An increase in ongoing legal fees associated with Anti-Social Behaviour is anticipated based upon recent activity. None

URP3890	Increase in anticipated price for lamp column inspection and maintenance contract	0	17,100	17,100	17,100	17,100	John Horwood	Nil
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The City Council needs to contract for the planned inspection and maintenance of lamp columns on housing owned land, which is considered unavoidable as it is anticipated to mitigate the likelihood of insurance claims. There is a need to increase the budget originally identified for this work, based upon the latest market indications on price. None

URP3891	Reduction in the recharge to the General Fund from the HRA for shared amenities	0	19,300	19,300	19,300	19,300	Julia Hovells	Nil
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A review of the recharge between the General Fund and the HRA for contribution towards shared amenity costs has resulted in a reduction in costs to the General Fund, and an increase in costs to the HRA. None

URP3947	Adjustment to saving expectation already incorporated into the HRA	0	23,500	23,500	23,500	23,500	Julia Hovells	Nil
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Recognition that the HRA has not received the full level of savings anticipated as their share of corporate transformation and shared services. The level of saving the HRA anticipates receiving as a result of corporate change is estimated when a project is commissioned and incorporated into financial projections. The final incidence of saving between the General Fund and the HRA is fully quantified once a project is complete. None

URP3950	Change to the calculation of holiday pay for employees	0	23,100	23,100	23,100	23,100	Deborah Simpson	Nil
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Following changes to the way in which holiday pay should now be calculated, to include overtime, allowances and commissions in addition to basic pay, the increased cost of amending the holiday pay calculation (based upon 2015/16 costs) is estimated to be an extra total cost to the Council of £70,000, of which £23,100 relates to the HRA. Low

Total Unavoidable Revenue Pressure in Housing - HRA

0 88,800 88,800 88,800 88,800

Total Unavoidable Revenue Pressure

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88,800 88,800 88,800 88,800

2017/18 Budget - All HRA Revenue Items

Page 6 of 8

Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Reduced Income

Housing - HRA

RI3878	Reduction in income at Ditchburn Place due to discontinuation of Day Centre Services	0	10,100	10,100	10,100	10,100	Laura Wilderspin	Nil
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Due to the County Council discontinuing the provision of Day Centre Services at Ditchburn Place in late 2015, as part of a county-wide review of services, the City Council is no longer receiving the level of income previously received from the County Council under a lease, for the provision of site base services to the Day Centre. The premises are currently unused, but still leased on a peppercorn basis to the County Council under a historic lease. Discussions are ongoing with the County Council about the future use of this facility.

RI3879	Reduction in income from Housing Agencies for the Emergency Alarm Service	0	7,400	7,400	7,400	7,400	Frances Swann	Nil
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Due to the removal of / reduction in Supporting People funding from the County Council to a number of housing providers, the housing providers have been forced to reduce service levels, and are no longer able to buy in emergency alarm and response services from the Independent Living Service. This bid includes the assumption that payment to the County Council for provision of the out of hours response service remains at 2016/17 prices.

Total Reduced Income in Housing - HRA	0	17,500	17,500	17,500	17,500	17,500		
Total Reduced Income	0	17,500	17,500	17,500	17,500	17,500		

2017/18 Budget - All HRA Revenue Items

Page 7 of 8

Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Housing - HRA

NCL3937	Increase in HRA Depreciation	0	548,770	548,770	548,770	548,770	Julia Hovells	Nil
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From April 2017, the true cost of depreciation for the housing stock will be reflected in the accounts. This cash limit adjustment will ensure the latest estimate is incorporated based upon recent market valuations and remaining asset lives, to include the impact of new build homes delivered. None

NCL3948	Reduction in Direct Revenue Financing (DRF) as a result of depreciation changes and adoption of devolution	0	(5,738,950)	0	0	0	Julia Hovells	Nil
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Reduction in Direct Revenue Funding of capital expenditure as a direct result of the increase in depreciation from April 2017, now coupled with the assumption the authority will also begin to receive devolution funding from April 2017. None

NCL3949	Increased interest due to the HRA and reduced interest payable by the HRA	0	(54,790)	(7,300)	(7,300)	(7,300)	Julia Hovells	Nil
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Based upon balances held and assumed spending, the HRA is expected to receive more interest in 2017/18 than previously anticipated. The level of interest payable to the General Fund in respect of internal borrowing will be lower due to a reduction in the HRA Capital Financing Requirement. None

NCL3973	Increased income from further investment in Local Authority Property Fund (HRA share)	0	(80,000)	(80,000)	(80,000)	(80,000)	Charity Main	Nil
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Council approved a change to our Treasury Management Strategy in October 2016 which permits a further £5m to be invested in the Local Authority Property Fund. This will also generate additional HRA investment income above our base forecast. None

NCL3982	Transfer of additional revenue resource into the HRA Potential Debt Redemption / Re-Investment Reserve	0	5,134,870	0	0	0	Julia Hovells	Nil
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With a reduced call on Direct Revenue Funding of capital expenditure in 2017/18 as a direct result of devolution, it is proposed to instead transfer the resource into this reserve, to allow for the top up of right to buy receipts should the authority be required to acquire dwellings on the open market if insufficient new build can be delivered during 2017/18. None

Total Non-Cash Limit Items in Housing - HRA

Page 118
of (190,100)

461,470 461,470 461,470

2017/18 Budget - All HRA Revenue Items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Total Non-Cash Limit Items

0	(190,100)	461,470	461,470	461,470
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Report Total

0	(1,431,640)	(900,870)	(930,870)	(930,870)
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2017/18 Budget - All HRA Capital Items

Page 1 of 1

Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Housing - HRA

C3875	Kings Hedges / North Arbury flats - balcony resurfacing and structural repairs	0	222,000	0	0	0	Will Barfield	Nil
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The Council owns a large number of 1960s built flats where balcony repairs, resurfacing and structural repairs are required. The estimate cost of works to be carried out in 2017/18 is £600,000 and an additional £200,000 plus fees, is required to supplement existing budgets in the housing capital investment plan. None

C3936	Increase in budget for award of Disabled Facilities Grants for 2017/18	0	52,000	0	0	0	Trevor Burdon	Nil
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The budget for the award of Disabled Facilities Grants in 2017/18 has been increased on the basis of a 10% increase on the amount received in 2016/17, less an element of top-slicing by the County Council. Future years are subject to a major review of Better Care Funding and the Home Improvement Agencies. Low

C3976	Full replacement of the Housing Management Information System	0	500,000	0	0	0	Julia Hovells	Nil
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Bid for approval to utilise existing repairs and renewals funding for the replacement of the Housing Management Information System, as part of a joint procurement exercise with South Cambridgeshire District Council. None

Total Capital Bids in Housing - HRA		0	774,000	0	0	0		
Total Capital Bids		0	774,000	0	0	0		
Report Total		0	774,000	0	0	0		

Appendix E

2017/18 Capital Budget Amendments Summary

Area of Expenditure and Change	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Total Housing Capital Plan Expenditure per HRA MTFs	30,888	32,432	22,823	15,113	18,203
General Fund Housing					
Increase in Disabled Facilities Grants to match anticipated Better Care Fund Grant	0	52	0	0	0
Decent Homes and Other HRA Stock Investment					
Transfer of budget for smoke detectors to revenue	(116)	(116)	(116)	(116)	(116)
Transfer of budget for external professional fees to revenue	(17)	(17)	(17)	(17)	(17)
Transfer of budget for fencing to revenue	(238)	(200)	(200)	(200)	(200)
Inclusion of bid for works to balconies	0	200	0	0	0
Change in planned maintenance contractor overheads	0	(12)	(35)	(35)	(34)
Change in budget for decent homes works to new build dwellings	0	(4)	121	186	338
New Build					
Inclusion of additional ear-marked resource to fund Anstey Way re-provision and re-phasing of some of the resource for site preparation and demolition	(150)	1,890	0	0	0
Re-phasing of budget for the final aspects of the Water Lane new build scheme	(100)	100	0	0	0
Re-phasing of budget for the final aspects of the Hawkins Road new build scheme	(100)	100	0	0	0
Re-phasing of budget in respect of Fulbourn Road garage site new build scheme	(754)	754	0	0	0
Re-phasing of budget in respect of Clay Farm (Virido) new build scheme	(1,250)	1,250	0	0	0
Inclusion of a 5 year new build programme funded by Devolution Grant	0	20,000	20,000	20,000	20,000
Removal of previous budget for new build required to utilise retained RTB receipts, as replaced with Devolution programme	0	(9,711)	(12,321)	0	0
Removal of grant assumed to pass to a registered provider to utilise right to buy receipts, as Devolution negates this need	0	0	(2,010)	(3,000)	(3,000)

Area of Expenditure and Change	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Sheltered Housing					
Re-phasing of budget for refurbishment of Ditchburn Place	(1,880)	0	1,880	0	0
Other HRA Capital Spend					
Inclusion of repairs and renewals fund spend to re-procure the housing management information system	0	500	0	0	0
Inflation Allowance					
Adjustment in inflation allowed as spend changes		45	142	7	8
Total Housing Capital Plan Expenditure per HRA BSR	26,283	47,263	30,267	31,938	35,182

Risk Area & Issue arising	Controls / Mitigation Action
Effects of Legislation / Regulation	
<p>Implications of new legislation / regulation or changes to existing are not identified</p>	<ul style="list-style-type: none"> • Effective, formal, regular review processes are in place for the HRA to ensure that implications are identified, quantified and highlighted
<p>Funding is not identified to meet the costs associated with changes in statutory requirements</p>	<ul style="list-style-type: none"> • Additional / specific funding requirements for new services can be identified through the budget process, to allow effective prioritisation of resources
<p>HRA Debt Settlement could be re-opened by Government (or not re-opened when changes dictate that it should)</p>	<ul style="list-style-type: none"> • The Council has processes in place ensuring early engagement in any consultation and collective representation through national housing bodies
<p>Changes in national rent policy impact the ability to support the housing debt or deliver against planned investment programmes</p>	<ul style="list-style-type: none"> • Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible. • Consideration could be given to deviating from national rent policy at a local level if statute were to allow
<p>Implementation of Pay to Stay and Fixed Term Tenancies carry administrative costs that far outweigh any allowances provided</p>	<ul style="list-style-type: none"> • Limited resource is incorporated into financial plans for the ongoing costs associated with housing transformation, with the opportunity to review this annually

Risk Area & Issue arising	Controls / Mitigation Action
Housing Portfolio & Spending Plans	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets</p>	<ul style="list-style-type: none"> • Council has adopted medium and long-term modelling (up to 30 years) for HRA, ensuring decisions are made in context of long-term impact • The Business Plan includes long-term trend analysis on key cost drivers such as growth levels and demographics, and their implications • Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures
Financial planning lacks appropriate levels of prudence	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital Plan is not available</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> • Use of external expert opinion and detailed trend data to inform assumptions • Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process • Adoption of strict medium / long-term planning • Policy on applying general capital receipts for strategic disposals only at point of receipt
Use of resources is not effectively managed	
<p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital, project on time etc.</p>	<ul style="list-style-type: none"> • Council employs robust business planning processes for the HRA • Council has adopted a standard project management framework • A business cases is required for all strategic acquisitions, disposals and one-off areas of significant investment • Performance and contractor management procedures are robust and contracts are enforceable • The Council's accounts are audited on an annual basis, with assurance given that the authority is delivering economy, efficiency and effectiveness in its use of resources

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

Appendix G

Retained 1-4-1 Right to Buy Receipts

Quarter date for Receipt	Retained 1-4-1 Receipt Value (Per Quarter)	Retained 1-4-1 Receipt Value (Cumulative)	Amount of New Build Expenditure Required (Cumulative)	Deadline for Receipt to be spent on New Dwelling	Qualifying Spend by Deadline (Cumulative)	Retained 1-4-1 Receipt Spent (Cumulative)	Balance of Retained 1-4-1 Receipts to be Spent or Paid to CLG (Cumulative)	Further New Build Spend Required by Deadline (Cumulative)
30/09/2012	305,694.44	305,694.44	1,018,981.47	30/09/2015	6,033,316.06	1,809,994.82	0.00	0.00
31/12/2012	1,052,927.43	1,358,621.87	4,528,739.57	31/12/2015	9,420,870.94	2,826,261.28	0.00	0.00
31/03/2013	721,056.95	2,079,678.82	6,932,262.73	31/03/2016	13,631,090.94	4,089,327.28	0.00	0.00
30/06/2013	558,506.21	2,638,185.03	8,793,950.10	30/06/2016	15,053,110.93	4,515,933.28	0.00	0.00
30/09/2013	649,210.49	3,287,395.52	10,957,985.07	30/09/2016	17,584,036.41	5,275,210.92	0.00	0.00
31/12/2013	939,637.07	4,227,032.59	14,090,108.63	31/12/2016			0.00	0.00
31/03/2014	1,556,452.02	5,783,484.61	19,278,282.03	31/03/2017			508,273.69	1,694,245.62
30/06/2014	1,053,196.82	6,836,681.43	22,788,938.10	30/06/2017			1,561,470.51	5,204,901.69
30/09/2014	517,057.26	7,353,738.69	24,512,462.30	30/09/2017			2,078,527.77	6,928,425.89
31/12/2014	1,004,106.23	8,357,844.92	27,859,483.07	31/12/2017			3,082,634.00	10,275,446.66
31/03/2015	831,750.78	9,189,595.70	30,631,985.67	31/03/2018			3,914,384.78	13,047,949.26
30/06/2015	595,447.59	9,785,043.29	32,616,810.97	30/06/2018			4,509,832.37	15,032,774.56
30/09/2015	902,092.08	10,687,135.37	35,623,784.57	30/09/2018			5,411,924.45	18,039,748.16
31/12/2015	857,169.10	11,544,304.47	38,481,101.49	30/12/2018			6,269,093.55	20,896,978.49
31/03/2016	1,591,834.76	13,136,139.23	43,787,130.77	31/03/2019			7,860,928.31	26,203,094.36
30/06/2016	2,263,872.93	15,400,012.16	51,333,373.88	30/06/2019			10,124,801.24	33,749,337.46
30/09/2016	1,874,821.59	17,274,833.75	57,582,779.18	30/09/2019			11,999,622.83	39,998,742.76

New Build Investment Cashflow

Appendix H

New Build / Re-Development Scheme	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
	£'0	£'0	£'0	£'0	£'0	£'0
New Build / Re-Development Cash Expenditure (Net of Developer's Cross Subsidy / Notional Land Value)						
Colville Road (Phase 1)	107,000	0	0	0	0	0
Water Lane	578,000	100,000	0	0	0	0
Aylesborough Close	557,000	0	0	0	0	0
Hawkins Road (Garage Site)	580,000	100,000	0	0	0	0
Fulbourn Road (Garage Site)	539,000	754,000	0	0	0	0
Ekin Road (Garage Site)	268,000	0	0	0	0	0
Clay Farm	6,546,000	3,967,000	0	0	0	0
Pomerton	2,753,000	0	0	0	0	0
Garage Sites 2015/16	780,000	2,233,000	0	0	0	0
Fill Sites	0	709,000	0	0	0	0
Anstey Way (Land Assembly)	1,642,000	0	0	0	0	0
Anstey Way (Ear-Marked Funds)	100,000	4,750,000	0	0	0	0
Akeman Street	129,000	1,844,000	0	0	0	0
Acquisition / New Build – Using RTB Receipts	1,322,000	0	0	0	0	0
Devolution New Build Programme	0	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Grants to Registered Providers	0	0	0	0	0	0
New Build / Re-Development Expenditure equivalent to Notional Land Value						
Water Lane	545,000	0	0	0	0	0
Total New Build/ Re-Development Expenditure	16,446,000	34,457,000	20,000,000	20,000,000	20,000,000	20,000,000
New Build / Re-Development Grant and Devolution Funding						

New Build / Re-Development Scheme	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
	£'0	£'0	£'0	£'0	£'0	£'0
Water Lane	(87,500)	0	0	0	0	0
Aylesborough Close	(125,000)	0	0	0	0	0
Clay Farm	0	(97,125)	0	0	0	0
Devolution New Build Programme	0	(14,000,000)	(14,000,000)	(14,000,000)	(14,000,000)	(14,000,000)
Total New Build / Re-Development Funding	(212,500)	(14,097,125)	(14,000,000)	(14,000,000)	(14,000,000)	(14,000,000)
Use of Retained Right to Buy Funding						
Hawkins Road (Garage Site)	(174,000)	(30,000)	0	0	0	0
Fulbourn Road (Garage Site)	(161,700)	(226,200)	0	0	0	0
Elkin Road (Garage Site)	(80,400)	0	0	0	0	0
Clay Farm	(1,425,430)	(882,790)	0	0	0	0
Homerton	(612,780)	0	0	0	0	0
Garage Sites 2015/16	(234,000)	(669,900)	0	0	0	0
In-Fill Sites	0	(212,700)	0	0	0	0
Akeman Street	(30,960)	(442,560)	0	0	0	0
Acquisition / New Build – Using RTB Receipts	(396,600)	0	0	0	0	0
Devolution New Build Programme	0	(6,000,000)	(6,000,000)	(6,000,000)	(3,000,000)	(3,000,000)
Grants to Registered Providers	0	0	0	0	0	0
Total Use of Retained Right to Buy Funding	(3,115,870)	(8,464,150)	(6,000,000)	(6,000,000)	(3,000,000)	(3,000,000)
Total to be funded from HRA Resources (DRF & MRR), Sales Receipts and Non-RTB Capital Receipts	13,117,630	11,895,725	0	0	3,000,000	3,000,000
Total HRA Borrowing	0	0	0	0	0	0

Key Sensitivity Analysis

Appendix I

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
General Inflation	General Inflation using CPI at 2.4% for expenditure from 2018/19	Volatility in the economy could lead to an increase in external costs. 1% increase in general inflation for expenditure only for the life of the plan.	Business plan is still sustainable for 30 years, with decent homes programme funded.
Rents Inflation	Reduction in real terms of 1% per annum for 3 years, then return to CPI plus 1% and then 0.5%	Assumption that government policy only allows for a return to rent increases at CPI from 2020/21, and not CPI plus 1%.	Debt cap breached in year 31, with general revenue reserves reduced to base target levels.
Capital Investment Real Increase Inflation	Capital Investment Inflation at 4.5% in the longer-term	A real increase of 2.1% is allowed for building inflation for the longer-term. Assume that real inflationary increase required is 3% for remaining life of the plan.	Debt cap breached in year 33, with general revenue reserves reduced to base target levels.
Arrears and Bad Debts / Welfare Reforms	Based on historic activity, with an increase in transactional collection costs	Universal Credit results in 100% of rent being collected directly from tenants. Assume, in addition to the increase in transactional costs, an ongoing increase in bad debt of an additional 4% per annum from 2018/19.	Business plan is still financially viable for the 30 years.

HRA Summary 2016/17 to 2021/22

Appendix J

Description	2016/17 £0	2017/18 £0	2018/19 £0	2019/20 £0	2020/21 £0	2021/22 £0
Income						
Rental Income (Dwellings)	(36,799,670)	(36,596,900)	(36,311,480)	(36,116,230)	(37,309,610)	(38,573,830)
Rental Income (Other)	(1,086,020)	(1,119,500)	(1,146,370)	(1,173,880)	(1,202,050)	(1,230,900)
Service Charges	(2,573,880)	(2,724,240)	(2,784,480)	(2,846,170)	(2,909,340)	(2,974,020)
Contribution towards Expenditure	(3,270)	(3,360)	(3,440)	(3,520)	(3,610)	(3,690)
Other Income	(471,750)	(456,960)	(461,270)	(465,530)	(469,720)	(473,850)
Total Income	(40,934,590)	(40,900,960)	(40,707,040)	(40,605,330)	(41,894,330)	(43,256,290)
Expenditure						
Supervision & Management - General	3,598,890	3,538,300	3,631,420	3,902,860	4,047,150	3,201,190
Supervision & Management - Special	2,458,890	2,454,880	2,518,200	2,583,160	2,659,140	2,737,480
Repairs & Maintenance	7,038,190	6,218,580	6,370,750	6,562,850	6,830,020	7,162,070
Depreciation – t/f to Major Repairs Res.	9,803,750	9,857,820	10,362,540	10,844,900	11,351,600	11,884,290
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	3,196,120	3,361,230	2,555,890	2,631,380	2,724,510	2,820,350
Total Expenditure	26,095,840	25,430,810	25,438,800	26,525,150	27,612,420	27,805,380
Net Cost of HRA Services	(14,838,750)	(15,470,150)	(15,268,240)	(14,080,180)	(14,281,910)	(15,450,910)
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(353,600)	(424,080)	(525,200)	(649,810)	(717,730)	(802,740)
HRA (Surplus) / Deficit for the Year	(15,192,350)	(15,894,230)	(15,793,440)	(14,729,990)	(14,999,640)	(16,253,650)
Items not in the HRA Income and Expenditure Account but in the movement on HRA balance						

Loan Interest	7,522,470	7,516,350	7,518,120	7,518,120	7,518,120	7,518,120
Housing Set Aside	0	10,269,740	2,567,440	2,567,440	2,567,440	2,567,440
Appropriation form Ear-Marked Reserve	(13,200)	(500,000)	0	0	0	0
Depreciation Adjustment	(1,566,060)	0	0	0	0	0
Direct Revenue Financing of Capital	10,757,900	925,520	0	0	0	0
(Surplus) / Deficit for Year	1,508,760	2,317,380	(5,707,880)	(4,644,430)	(4,914,080)	(6,168,090)
Balance b/f	(9,790,590)	(8,281,830)	(5,964,450)	(11,672,330)	(16,316,760)	(21,230,840)
Total Balance c/f	(8,281,830)	(5,964,450)	(11,672,330)	(16,316,760)	(21,230,840)	(27,398,930)

Housing Capital Investment Plan

Appendix K

Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Disabled Facilities Grants	576	602	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Choice Based Letting IT System	25	0	0	0	0	0
Total General Fund Housing Capital Spend	796	797	745	745	745	745
HRA Capital Spend						
Decent Homes						
Kitchens	236	206	190	655	640	252
Bathrooms	341	275	305	251	1,036	189
Central Heating / Boilers	655	2,210	544	2,586	3,536	1,463
Insulation / Energy Efficiency	493	402	374	583	274	758
External Doors	206	169	114	112	351	99
PVCU Windows	0	0	0	0	6	30
Wall Structure	462	142	140	134	254	73
External Painting	0	0	0	0	300	300
Roof Structure	322	300	300	300	300	300
Roof Covering	342	334	334	334	334	334
Chimneys	13	1	0	1	0	1
Electrical / Wiring	497	561	293	555	932	435
Sulphate Attacks	25	102	102	102	102	102
Major Voids / Major Works	60	0	0	0	0	0
HHSRS Contingency	100	100	100	100	100	100

Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Other Health and Safety Works	210	250	50	50	50	50
Other External Works	0	0	0	0	0	0
Capitalised Officer Fees - Decent Homes	323	305	305	305	305	305
Decent Homes Planned Maintenance Contractor Overheads	486	556	313	634	904	493
Decent Homes New Build Allocation	0	257	450	604	766	934
Total Decent Homes	4,771	6,170	3,914	7,306	10,190	6,218
Other Spend on HRA Stock						
Garage Improvements	788	100	100	100	100	100
Asbestos Removal	100	50	50	50	50	50
Disabled Adaptations	878	878	878	878	878	878
Communal Areas Uplift	296	321	321	321	321	321
Fire Prevention / Fire Safety Works	100	50	50	50	50	50
Hard surfacing on HRA Land - Health and Safety	250	225	225	225	225	225
Hard surfacing on HRA Land - Recycling	0	0	0	0	0	0
Communal Areas Floor Coverings	198	100	100	100	100	100
Lifts and Door Entry Systems	51	13	13	13	13	13
Capitalised Officer Fees - Other HRA Stock Spend	114	114	114	114	114	114
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	375	191	191	191	191	191
Total Other Spend on HRA stock	3,150	2,042	2,042	2,042	2,042	2,042
HRA New Build / Re-Development / Acquisition						
Roman Court	6	0	0	0	0	0
3 Year Affordable Housing Programme	2,629	954	0	0	0	0

Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
3 Year Affordable Housing Programme (Notional Spend - Land Value)	545	0	0	0	0	0
New Build - Clay Farm	6,546	3,967	0	0	0	0
New Build - Homerton	2,753	0	0	0	0	0
Re-Development - Anstey Way (Land Assembly Only)	1,642	0	0	0	0	0
Anstey Way - Earmarked Resource towards Re-Development	100	4,750	0	0	0	0
2015/16 Garage & In-Fill Sites	780	2,233	0	0	0	0
2016/17 In-Fill Sites	0	709	0	0	0	0
Akeman Street	129	1,844	0	0	0	0
Acquisition or New Build - Retained RTB Receipt Investment	1,322	0	0	0	0	0
New Build - Devolution Programme	0	20,000	20,000	20,000	20,000	20,000
Grants to Registered Providers	0	0	0	0	0	0
Total HRA New Build	16,452	34,457	20,000	20,000	20,000	20,000
City Homes Estate Improvement Programme						
City Homes Estate Improvement Programme	52	0	0	0	0	0
Total City Homes Estate Improvement Programme	52	0	0	0	0	0
Sheltered Housing Capital Investment						
Ditchburn Place	528	1,796	1,880	0	0	0
Total Sheltered Housing Capital Investment	528	1,796	1,880	0	0	0
Other HRA Capital Spend						
Orchard Replacement / Mobile Working	23	500	0	0	0	0

Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Stores Reconfiguration	130	0	0	0	0	0
Cambridge Public Sector Network	23	0	0	0	0	0
Air Cooling Systems in Area Offices	11	0	0	0	0	0
Shared Ownership Repurchase	300	300	300	300	300	300
Commercial and Administrative Property	47	30	30	30	30	30
Total Other HRA Capital Spend	534	830	330	330	330	330
Total HRA Capital Spend	25,487	45,295	28,166	29,678	32,562	28,590
Total Housing Capital Spend at Base Year Prices	26,283	46,092	28,911	30,423	33,307	29,335
Inflation Allowance and Stock Reduction Adjustment for Future Years	0	1,171	1,356	1,515	1,875	2,066
Total Inflated Housing Capital Spend	26,283	47,263	30,267	31,938	35,182	31,401
Housing Capital Resources						
Right to Buy Receipts	(302)	(305)	(309)	(312)	(315)	(318)
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Notional Land Receipts (New Build Schemes)	(545)	0	0	0	0	0
Major Repairs Reserve	(923)	(18,551)	(8,570)	(10,096)	(15,286)	(11,826)
Direct Revenue Financing of Capital	(10,758)	(926)	0	0	0	0
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(3,301)	(17,543)	(14,908)	(15,049)	(16,310)	(15,294)
Retained Right to Buy Receipts	(3,116)	(8,464)	(6,000)	(6,000)	(3,000)	(3,000)
Retained Right to Buy Receipts Passed to Registered Provider	0	0	0	0	0	0
Disabled Facilities Grant	(576)	(602)	(271)	(271)	(271)	(271)

Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Prudential Borrowing	0	0	0	0	0	0
Total Housing Capital Resources	(19,521)	(46,391)	(30,058)	(31,728)	(35,182)	(30,709)
Net (Surplus) / Deficit of Resources	6,762	872	209	210	0	692
Capital Balances b/f	(9,668)	(2,906)	(2,034)	(1,825)	(1,825)	(1,615)
Use of / (Contribution to) Balances in Year	6,762	872	209	210	0	692
Capital Balances c/f	(2,906)	(2,034)	(1,825)	(1,615)	(1,825)	(923)
Other Capital Balances (Opening Balance 1/4/2016)						
Major Repairs Reserve	(3,269)	Utilised to fund the decent homes programme				
Retained 1-4-1 Right to Buy Receipts	(9,047)	Built into spending by 2018/19				
Right to Buy Receipts for Debt Redemption	(5,079)	Set-aside for potential debt redemption				
Total Other Capital Balances	(17,395)					

Cambridge City Council Equality Impact Assessment



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

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

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

Budget Setting Report 2017/18

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

The HRA Budget Setting Report enables the City Council to set a balanced budget for 2017/18 that reflects the Council's vision statements and takes into account councillor's priorities in its proposals for achieving the savings required. The report provides an overview of the finances for the HRA. It covers both HRA revenue and housing capital spending, highlighting the inter-relationships between the two.

This EQIA assesses the equality impacts of the Housing Revenue Account (HRA) element of the City Council's budget; a separate EQIA has been completed for the General Fund (GF) element of the Council's budget.

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

- Residents
- Visitors
- Staff

A specific client group or groups (please state):

This is a composite EqIA for all 2017 -2018 HRA budget bids and it covers all Council Housing

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

Revenue Account services.

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

New

Revised

Existing

5. Responsible directorate and service

Directorate: Strategic Director

Service: Corporate Strategy and Finance have coordinated the document, with input from Housing Services and Estates and Facilities in particular.

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

Yes (please give details):

This report involves cross organisation responsibility and input from various departments in the Council. The budget also affects some of our partnership working, notably with South Cambridgeshire District Council and Huntingdonshire District Council, and has the potential to impact the County Council in respect of the delivery of support activity and housing plus services.

Delivery of the Housing Transformation Programme in particular requires significant input from:

- Human Resources: Staffing implications, advice on job descriptions and roles, advice on appointing & redundancies, advice on working condition changes
- Finance: support on costing the new structures, identifying programmes of savings to reduce recharges from Central Support Services to the HRA, supporting business process re-engineering in the new structure.
- Unions: changes to work roles and responsibilities and working practices
- Revenues & Benefits: collaborative working on legislative changes (Universal Credit)
- ICT: support in respect of new system requirements to streamline services and accommodate legislative changes
- Property Services: support and collaborative working around meeting the anticipated Government Higher Value Voids Levy

7. Potential impact

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

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

Older People

Loss of Income from The County Council due to discontinuation of Day Centre Services at Ditchburn will have directly impacted residents who made use of the support offered by the Centre's activities. Closure of this facility was a County Council decision, and therefore out of the control of the City Council. The resulting loss of income from the County for hiring the Centre makes a small but furthering reduction in income to the HRA as a whole.

Reduced use of the Independent Living Services' emergency alarm and response service by other housing providers following cuts to Supporting People funding may negatively impact those vulnerable older residents living in the affected housing schemes. Although the housing is not Council owned, there is recognition of the impact on the wider community. The resulting loss of income for using Independent Living Services makes a small but furthering reduction in income to the HRA as a whole.

Restructuring the teams in the Housing Service will see ***the introduction of an integrated Sheltered / Supported team*** who will be proactive in providing support to older residents with needs in both the public & private sector and in both sheltered and general needs housing, which will have a positive impact on older tenants, and hopefully go some way to mitigating the impact of the cuts to services above.

The Housing Transformation Programme staffing changes may impact older members of the workforce. The majority of staff who are currently funded through the HRA are under 55. 22.6% are 55-64 and 3.6% are over 65. The restructure of teams in the Housing Service is likely to affect all age groups, but the project will maintain the standards as set out in the Equalities Policy in relation to age, at all times.

Recharging for repairs that are the responsibility of the tenant may have a greater financial and physical impact on older tenants, who may be less able to complete the work themselves, and will therefore need to pay for the work to be completed.

Reducing spend in the HRA for anti-social behaviour support from the Safer Communities Team could have an impact on those older, vulnerable tenants experiencing ASB or harassment where they live.

Full replacement of the Housing Management system - the chosen system is likely to require users to self-serve for a number of services. This may have a negative impact on older tenants who may not have the necessary computer skills to benefit from the tools on offer.

Increase in funding for lamp column inspection is expected to have a positive impact on older, frailer residents, as the purpose of this programme is to reduce any incidences of trips and falls.

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

Restructuring the teams in the Housing Service will see **the introduction of an integrated Sheltered / Supported team** who will be active in providing support to residents with disability needs in both the public & private sector and in both sheltered and general needs housing.

Reducing spend in the HRA for anti-social behaviour support from the Safer Communities Team could have an impact on tenants with disabilities experiencing ASB or harassment where they live.

Recharging for repairs that are the responsibility of the tenant may have a greater financial and physical impact on disabled tenants, who may be less able to complete the work themselves, and will therefore need to pay others to do the work.

Increasing the budget for Disabled Facilities Grants will have a positive impact on residents who have a disability and require aids to continue living in their current home.

Full replacement of the Housing Management system - the chosen system is likely to require users to self-serve for a number of services. This may have a negative impact on tenants with a disability who may require support to benefit from the tools on offer.

Increase in funding for lamp column inspection is expected to have a positive impact on physically disabled residents, as the purpose of this programme is to reduce any incidences of trips and falls.

(c) Gender

Staff - The restructure of teams in the Housing Service is likely to affect staff of both genders, but has the potential to have a disproportionate impact on one gender, depending upon the outcome of the selection process for new roles. The project will maintain the standards as set out in the Equalities Policy in relation to flexible working at all times.

(d) Pregnancy and maternity

Staff - The restructure of teams in the Housing Service is likely to affect a number of staff, including those who are pregnant or on maternity leave, but the project will maintain the standards as set out in the Equalities Policy in relation to pregnancy & maternity, at all times.

(e) Transgender (including gender re-assignment)

Reducing spend in the HRA for anti-social behaviour support from the Safer Communities Team could have an impact on transgender tenants experiencing ASB or harassment where they live.

Staff - The restructure of teams in the Housing Service is likely to affect a number of staff, but the project will maintain the standards as set out in the Equalities Policy in relation to transgender staff, at all times.

(f) Marriage and Civil Partnership

No disproportionate impact has been identified in relation to marriage or civil partnership in the bid proposals contained in the 2017/18 HRA Budget Setting Report.

(g) Race or Ethnicity

Staff - The restructure of teams in the Housing Service is likely to affect a number of staff, but the project will maintain the standards as set out in the Equalities Policy in relation to ethnicity, at all times.

(h) Religion or Belief

Staff - The restructure of teams in the Housing Service is likely to affect a number of staff, but the project will maintain the standards as set out in the Equalities Policy in relation to religion or belief, at all times.

(i) Sexual Orientation

Staff - The restructure of teams in the Housing Service is likely to affect a number of staff, but the project will maintain the standards as set out in the Equalities Policy in relation to sexual orientation, at all times.

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

The **Restructure of the Housing Services Teams** should have a positive impact on all groups, as it will be designed to provide a more streamlined, accountable service for all tenants, but in particular vulnerable clients, by reducing the number of hand-offs between teams:

- A **reconfigured Tenancy & Estate Management Team** will offer all tenants on-the-ground support for their tenancy, as well as supporting tenants in understanding their fixed-term tenancy, and sign-posting to the other Housing Teams as required.
- The **Tenancy Support Team** will provide all tenants with temporarily high support needs, to manage their tenancy, with sign-posting to the other Housing Teams or to external support as required.
- An **Income & Financial Inclusion Team** will provide all tenants with a service that balances the need to recover debt with the help and support tenants may need to manage their finances. This team will be on hand to support tenants through the roll-out of universal credit and pay-to-stay
- An **integrated Temporary Housing & Housing Advice service** will provide a logical and more streamlined service for homeless clients.

Recharging for repairs that are the responsibility of the tenant will have a negative financial impact on all tenants who will be expected to pay for repairs they cannot undertake themselves. The extent of this on all equalities groups will need to be monitored.

Savings in energy-related initiatives could have a negative impact those on lower incomes.

Expanding the Voids Team into a Voids & Lettings team will have a positive impact on all groups, as reducing void times by at least 5 working days will ensure properties are ready to let more quickly to someone on the waiting list, as well as increasing rental yield.

Changes to the calculation of holiday pay for employees will have a positive impact on all employees, but in particular those on lower incomes working shifts and claiming overtime, as these earnings will now be included in the calculation.

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

9. Conclusions and Next Steps

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

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

Email suzanne.goff@cambridge.gov.uk

10. Sign off

Name and job title of assessment lead officer: Julia Hovells

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

Catherine Buckle – Business Development Manager (Housing)

Date of completion: 24/11/2016

Date of next review of the assessment: Summer 2017.

Action Plan

Equality Impact Assessment title: 2017/18 HRA Budget Setting Report

Date of completion: 24/11/2016

Equality Group	All Groups
Details of possible disadvantage or negative impact	<i>The Housing Transformation Programme staffing changes</i> may impact all equalities groups.
Action to be taken to address the disadvantage or negative impact	The project will maintain the standards as set out in the Cambridge City Council Equalities Policy, at all times.
Officer responsible for progressing the action	Liz Bisset
Date action to be completed by	March 2017

Equality Group	Age & Disability
Details of possible disadvantage or negative impact	<i>Recharging for repairs</i> that are the responsibility of the tenant may have a greater financial and physical negative impact on older tenants, or tenants with a disability
Action to be taken to address the disadvantage or negative impact	Monitoring by the Income Recovery Team of who is being affected the most by the charges to be undertaken, and remedial action taken as necessary. Offering a Handyman services within Estates & Facilities to ensure the work is undertaken fairly to be introduced.
Officer responsible for progressing the action	Trevor Burdon / Tom Bremner
Date action to be completed by	March 2017

Equality Group	Age, Disability, Transgender, Sexual Orientation, Faith or Religious belief
Details of possible disadvantage or negative impact	Reducing spend in the HRA for anti-social behaviour support from the Safer Communities Team could have an impact on those older, vulnerable, Transgender, LGBT or tenants of different religions or beliefs, experiencing ASB or harassment where they live.
Action to be taken to address the disadvantage or negative impact	An Anti-social Behaviour Review is currently underway, and findings will be incorporated with the Housing Services restructure to ensure all residents continue to receive a fair and consistent ASB service.
Officer responsible for progressing the action	Tom Bremner / Debbie Kaye
Date action to be completed by	Summer 2017

Equality Group	Age & Disability
Details of possible disadvantage or negative impact	Full replacement of the Housing Management system may have a negative impact on older or disabled tenants who may not have the necessary computer skills to benefit from the tools on offer.
Action to be taken to address the disadvantage or negative impact	The Project Board will oversee the selection of the new system to ensure it is fit for purpose, and Housing Services operational staff will need to monitor usage to gauge what support systems need to be put in place for those tenants who require it.
Officer responsible for progressing the action	Suzanne McBride / Tom Bremner
Date action to be completed by	April 2018

Other factors that may lead to inequality

Details of possible disadvantage or negative impact	Savings in energy-related initiatives could have a negative impact those on lower incomes.
Action to be taken to address the disadvantage or negative impact	Demand for the initiatives previously offered could be monitored to see how much impact removing them has on tenants.
Officer responsible for progressing the action	Trevor Burdon
Date action to be completed by	Mar 2018

Other factors that may lead to inequality

Details of possible disadvantage or negative impact	Full replacement of the Housing Management system may have a negative impact on tenants on lower incomes who may not have access to a personal computer to benefit from the tools on offer.
Action to be taken to address the disadvantage or negative impact	The new system will be designed to be used on a smart phone or tablet, reducing the need to obtain access to a personal computer or internet café.
Officer responsible for progressing the action	Julia Hovells
Date action to be completed by	Mar 2018

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<p style="text-align: center;">RECOMMENDATION TO COUNCIL (Executive Councillor for Finance & Resources)</p>
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Annual Treasury Management Strategy Statement 2017/18 to 2019/20

The Council is required by regulations issued under the Local Government Act 2003, to produce an Annual Treasury Management Strategy Report.

The report complied with the CIPFA Code of Practice on Treasury Management (revised 2011). The Code required as a minimum, receipt by full council of an Annual Treasury Management Strategy Statement, including the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.

The Strategy and Resources Committee unanimously resolved to endorse the recommendations.

Accordingly, Council is recommended to:

To approve:

- i. the Annual Borrowing Statement at para 4, the Minimum Revenue Provision Policy at para 5 and the Council's Annual Investment Strategy as contained in paras 8 and 9.
- ii. An amendment to the counterparty list to include a Cambridge City Council Housing Working Capital Loan Facility classified type: non specified investment with a recommended limit of £200k.
- iii. Changes to the estimated Prudential and Treasury Indicators for 16/17 to 19/20 inclusive as set out in appendix c

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To: The Executive Councillor for Finance & Resources:
Councillor Richard Robertson

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

Relevant scrutiny committee: Strategy & Resources
23/01/2017
Scrutiny Committee

Wards affected: All Wards

ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT REPORT 2017/18 TO 2019/20

Key Decision

1. Executive summary

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, to produce an Annual Treasury Management Strategy Report.
- 1.2 The Council has also adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011).
- 1.3 The Code requires as a minimum, receipt by full Council of an Annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.
- 1.4 This Treasury Management Strategy Statement Report has been prepared in accordance with CIPFA's Code of Practice on Treasury Management and covers the following:-
 - The Council's capital expenditure plans (prudential indicators):-
 - A statement of the Council's borrowing strategy;
 - The Annual Borrowing and Minimum Revenue Provision Statements;
 - The Treasury Management Strategy Statement and Annual Investment Strategy for 2017/18; and;
 - An update on interest rate and economic forecasts.

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

2. Recommendations

2.1 The Executive Councillor is asked to recommend to Council the Annual Borrowing Statement at paragraph 4, the Council's Minimum Revenue Provision (MRP) Policy at paragraph 5 and the Council's Annual Investment Strategy as contained within paragraphs 8 & 9.

2.2 Following a recent review, the Executive Councillor is asked to recommend to Council an amendment to the counterparty list to include a Cambridge City Council (CCC) Housing Working Capital Loan Facility. A limit of £200k is recommended and has been updated within Appendix A, as follows:-

Name	Type	Recommended Limit (£)
CCC Housing Working Capital Loan Facility	Non-Specified Investment	200,000

2.3 The Executive Councillor is also asked to recommend to Council changes to the estimated Prudential & Treasury Indicators for 2016/17 to 2019/20, inclusive, as set out in Appendix C.

3. Background

3.1 Treasury Management Activities

The Council is required to comply with CIPFA Prudential Code (May 2013 edition) and the CIPFA Treasury Management Code of Practice (Revised November 2011). The Council is required to set prudential and treasury indicators, including an authorised limit for borrowing, for a three year period and should ensure that its capital plans are affordable, prudent and sustainable. The Council also follows DCLG Investment Guidance as issued on 11th March 2010.

3.2 The Council is currently supported in its treasury management functions by specialist advisors who are Capita Asset Services. Capita's services include the provision of advice to the Council on developments and best practice in this area and provide information on the creditworthiness of potential counterparties, deposit and borrowing interest rates and the economy.

4. Borrowing Policy Statement

- 4.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1st April 2004.
- 4.2 At present the only debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA taken out in 2012 totalling £213,572,000.
- 4.3 The Council does not currently anticipate any new external borrowing for the period 2017/18 to 2019/20, inclusive.
- 4.4 In the event that external borrowing is undertaken the Council is able as an eligible local authority to access funds at the PWLB Certainty Rate (a 0.20% discount on loans) until 31st October 2017.
- 4.5 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

5. Minimum Revenue Provision (MRP) Policy Statement

- 5.1 Minimum Revenue Provision (MRP) is the revenue charge that the Council is required to make for the repayment of debt, as measured by the underlying need to borrow, rather than actual debt. The underlying debt is needed to finance capital expenditure which has not been fully financed by revenue or capital resources. As capital expenditure is generally expenditure on assets which have a life expectancy of over one year it is prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure.
- 5.2 The Local Authorities (Capital Finance and Accounting) regulations require local authorities to calculate for the financial year an amount of MRP which is considered to be 'prudent'.
- 5.3 There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.

- 5.4 The Housing Revenue Account share of the CFR is not subject to an MRP charge.
- 5.5 There is no requirement to make a MRP charge on an asset until the financial year after that asset becomes operational.
- 5.6 The Government has issued guidance on the calculation of MRP. The Council is required to have regard to the guidance based on the underlying principle that the provision should be linked to the life of the assets for which the borrowing is required.
- 5.7 However, the guidance is clear that differing approaches can be considered as long as the resulting provision is prudent.
- 5.8 In general, the council will make a minimum revenue provision based on the equal instalment method, amortising expenditure equally over the estimated useful life of the asset for which the borrowing is required. However, no provision will be made in respect of expenditure on specific projects where the Head of Finance determines that receipts will be generated by the project to repay the debt. Specifically in respect of the current capital programme:-
- The Council has agreed to make a loan to a company (which is classed as capital expenditure) to enable it to let intermediate rent properties. This will be financed from internal borrowing.
 - As this loan is to a wholly owned subsidiary company, is secured on assets and there is a plan and evidence that there is an ability to repay the loan at the end of the short 3 year pilot period, no MRP will be set aside. However, to ensure that this policy is prudent, the Council will review this loan annually and at the end of the pilot period if the company continues and the loan is renegotiated. Where there is evidence which suggests that the full amount of the loan may not be repaid, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.
 - The Council has agreed to finance an element of the capital cost of a new community centre at Clay Farm from internal borrowing. This element will in effect be repaid over the next 15 years (with interest) from receipts of rental incomes and subsidy from the site developer and a tenant. As there are sufficient revenues to repay the capital costs no MRP will be set aside.
- 5.9 As part of the recommendations as contained in this report, it is requested that a loan be given to Cambridge City Housing Company

to cover its day to day expenditure (Housing Working Capital Loan Facility), of £200,000. This is not capital expenditure and is expected to be repaid within 1 year (and shown as a non-specified investment within our counterparty portfolio) and therefore MRP is not required.

5.10 The Council approved an investment in commercial property using powers under S12 of the Local Government Act 2003 in October 2016. This is deemed capital expenditure and will be financed from cash balances. MRP will be provided for using the useful life determinant, in line with the policy above.

6. The Council's Capital Expenditure and Financing 2016/17 to 2019/20

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or;
- If insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.

6.1 Details of capital expenditure forms one of the required prudential indicators. The table below shows the proposed capital expenditure and how it will be financed.

	2016/17 Probable Outturn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
General Fund Capital Expenditure	44,584	8,628	1,326	826
HRA Capital Expenditure	25,487	46,466	29,522	31,193
Total Capital Expenditure	70,071	55,094	30,848	32,019
Resourced by:				
• Capital receipts	-4,032	-8,850	-6,000	-6,000
• Other contributions	-43,825	-46,244	-24,848	-26,019
Total available resources for				

	2016/17 Probable Outturn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
financing capital expenditure	-47,857	-55,094	-30,848	-32,019
Financed from cash balances	22,214	0	0	0

7. The Council's Prudential and Treasury Management Indicators

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

Capital Financing Requirement & Cumulative External Borrowing	2016/17 Probable Outturn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
General Fund Capital Financing Requirement	27,899	27,899	27,899	27,899
HRA Capital Financing Requirement	214,748	214,748	214,748	214,748
Total Capital Financing Requirement	242,647	242,647	242,647	242,647
Movement in the Capital Financing Requirement	22,214	0	0	0
Estimated External Gross Debt/Borrowing (Including HRA Reform)	213,572	213,572	213,572	213,572
Authorised Limit for External Debt	250,000	250,000	250,000	250,000
Operational Boundary for External Debt	242,647	242,647	242,647	242,647

7.2 During the above financial years the Council will operate within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The anticipated Prudential & Treasury indicators are shown in Appendix C.

8. Annual Investment Strategy Statement

8.1 Introduction

The Council manages its deposits in-house and uses Capita as its independent Treasury Adviser. The Council recognises that responsibility for treasury management activities remains with the organisation. The Council will ensure that the terms of Capita's appointment are properly agreed and documented and regularly reviewed.

The Council's deposit priorities are (and in this order):-

1. The **S**ecurity of capital;
2. The **L**iquidity of deposits; and;
3. The **Y**ield or return on its deposits.

The Council takes a cautious approach within its Treasury Management Strategy. However, in order to ensure that the Council invests its funds in the most appropriate way, the Strategy is regularly reviewed taking into account the information available from Capita and wider developments.

8.2 It is expected that our deposits will diminish over this 3 year period, due to factors including our investment in our commercial property portfolio and the loan to the Cambridge City Housing Company.

8.3 Longer Term Deposits (for over 1 year)

It was agreed at full Council on 20th October 2016 to increase our longer term deposit limit (amounts over 1 year) to £50m in total. Our longer term investments including investments in commercial property will not exceed this figure. This limit will be kept under review.

8.4 Creditworthiness Policy and Property Investments

This Council uses the creditworthiness service provided by Capita (which is highlighted within Appendix A – Current Counterparty List) which are updated daily for the authority to use. This service uses a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard & Poor's. However, the Council does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:-

- Credit watches and credit outlooks from credit rating agencies;

- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings i.e. akin to an insurance policy whereby counterparties enter into a contractual agreement; and;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The Council will not place an investment contrary to Capita's credit methodology criteria which includes a maximum duration period (except for 'smaller' Building Societies).

Proposed investments in property are subject to appropriate due diligence and are evaluated by the Head of Property Services and his Team against a number of specified criteria including:-

- Portfolio balance;
- Location;
- Rate of return;
- Risk;
- Management;
- Condition;
- Accessibility; and;
- Environmental performance

8.5 Training

The CIPFA Code requires the responsible officer to ensure that Members and Officers are adequately trained in treasury management. Training is arranged as required and is regularly reviewed.

9. Brexit Update

- 9.1 The referendum result has generated some uncertainty in the investment markets. Realistically, given the number of complexities of the situation, these uncertainties will take some time to clear.
- 9.2 At the moment these issues are prominent in the headlines but volatility on the markets now appears to be settling somewhat.
- 9.3 Rates have dropped following the Referendum result. Article 50 has not yet been triggered but timetabled for March 2017. There are then two years to complete negotiations for leaving the EU, so the uncertainty is expected to continue in the medium term.

10. Interest Rates & Interest Received

- 10.1 Capita Asset Services is the Council's independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of interest rates on treasury management issues for the Council. Capita's opinion on interest rates is presented at Appendix B.
- 10.2 Total interest and dividends of £918,675 has been received on the Council's deposits up to 30th November 2016 (for this financial year) at an average rate of 1.12%. This exceeds the budget to date of £765,120 by £153,555.

11. Implications

(a) **Financial Implications**

The prudential and treasury indicators have been amended to take account of known financial activities.

(b) **Staffing Implications**

None.

(c) **Equal & Poverty Implications**

No negative impacts identified.

(d) **Environmental Implications**

None.

(e) **Procurement**

None.

(f) **Consultation and communication**

None required.

(g) **Community Safety**

No community safety implications.

12. Background Papers

- 12.1 None were used in preparing this report.

13. Appendices

- 13.1 Appendix A – The Council's current Counterparty list
Appendix B – Capita's opinion on UK Forecast Interest Rates

14. Inspection of Papers

14.1 If you have any queries about this report please contact:-

Author's Name: Stephen Bevis
Author's Phone Number: 01223 - 458153
Author's Email: stephen.bevis@cambridge.gov.uk

Treasury Management Annual Investment Strategy

Current Counterparty List

The full listing of approved counterparties is shown below, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits. Recommended changes are shown in bold:-

Name	Council's Current Deposit Period	Category	Limit (£)
Specified Investments:-			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
Debt Management Account Deposit Facility	N/A	DMADF	Unlimited
Barclays Bank Plc	Using Capita's Credit Criteria	UK Bank	25m
HSBC Bank Plc	Using Capita's Credit Criteria	UK Bank	20m
Standard Chartered Bank	Using Capita's Credit Criteria	UK Bank	20m
Bank of Scotland Plc (BoS)	Using Capita's Credit Criteria	UK Bank	20m
Lloyds TSB Bank Plc	Using Capita's Credit Criteria	UK Bank	20m
National Westminster Bank Plc (NWB)	Using Capita's Credit Criteria	UK Nationalised Bank	20m
Santander UK Plc	Using Capita's Credit Criteria	UK Bank	5m
The Royal Bank of Scotland Plc (RBS)	Using Capita's Credit Criteria	UK Nationalised Bank	20m
Other UK Banks	Using Capita's Credit Criteria	UK Banks	20m

Name	Council's Current Deposit Period	Category	Limit (£)
Members of a Banking Group (BoS Group includes Lloyds, RBS Group includes NWB)	Using Capita's Credit Criteria	UK Banks and UK Nationalised Banks	30m
Svenska Handelsbanken	Using Capita's Credit Criteria	Non-UK Bank	5m
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/V1)	Over 3 months and up to 1 year	Financial Instrument	10m (per single counterparty)
Money Market Funds	Liquid Rolling Balance	Financial Instrument	15m (per fund)
Custodian of Funds	Requirement for Undertaking Financial Instruments	Fund Managers	Up to 15m (per single counterparty)
UK Government Treasury Bills	Up to 6 months	Financial Instrument	15m
Other Specified Investments - UK Building Societies:-			
Name	Council's Current Deposit Period	Asset Value (£'m) – as at 1 st November 2016	Limit (£)
Nationwide Building Society	1 month or in line with Capita's Credit Criteria, if longer	207,622	Assets greater than £100,000m - £20m
Yorkshire Building Society		43,231	
Coventry Building Society		33,672	Assets between £50,000m and £99,999m - £5m
Skipton Building Society		16,612	
Leeds Building Society		14,329	
Principality Building Society		7,409	Assets between £5,000m and £49,999m - £2m
West Bromwich Building Society		5,725	
Non-Specified Investments:-			
Name	Council's Current Deposit Period	Category	Limit (£)
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 35m (in total)

Name	Council's Current Deposit Period	Category	Limit (£)
Cambridge City Council Housing Working Capital Loan Facility	Up to 1 year	Loan	200,000
CCLA Local Authorities' Property Fund	Minimum of 5 years	Pooled UK Property Fund	Up to 15m
Certificates of Deposit (with UK Banking Institutions)	Liquid Rolling Balance	Financial Instrument	15m (per single counterparty)
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	20m (in total)
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/V1)	Over 1 year and up to 5 years	Financial Instrument	10m (per single counterparty)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Supranational Bonds – AAA	Using Capita's Credit Criteria	Multi-lateral Development Bank Bond	15m
UK Government Gilts	Over 1 year & up to 30 Years	Financial Instrument	15m

Note: In addition to the limits above, the total non-specified items over 1 year will not exceed £50m.

Capita's Opinion on Forecast UK Interest Rates – As Currently Predicted

Introduction

The paragraphs that follow reflect the views of the Council's Treasury Management advisors (Capita) on UK Interest Rates as currently predicted.

Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) kept the bank rate at 0.25% and Quantitative Easing (QE) at £435bn (to 31st December 2016). Going-forward, the Council's treasury advisor, Capita, has provided the following interest rate forecasts issued on 17th November 2016:-

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.60%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
50yr PWLB rate	2.70%	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%

Capita's interest rate forecast is for the first increase in the bank rate to be in June 2019. With higher growth predictions and lower unemployment forecasts for the U.K, these are the main reasons for this change in interest rates overall.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Probable Outturn 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000
PRUDENTIAL INDICATORS				
Capital expenditure				
- General Fund	44,584	8,628	1,326	826
- HRA	25,487	46,466	29,522	31,193
Total	70,071	55,094	30,848	32,019
Incremental impact of capital deposit decisions on:				
Band D Council Tax (City element)	0.57	0.15	0.00	0.00
Average weekly housing rent	-0.65	2.09	1.05	2.38
Capital Financing Requirement (CFR) as at 31 March				
- General Fund	27,899	27,899	27,899	27,899
- HRA	214,748	214,748	214,748	214,748
Total	242,647	242,647	242,647	242,647
Change in the CFR	22,214	0	0	0
Deposits at 31 March	95,486	92,265	105,395	124,834
External Gross Debt	213,572	213,572	213,572	213,572
Ratio of financing costs to net revenue stream				
-General Fund	-352	-422	-523	-743
-HRA	6,605	6,321	5,975	5,647
Total	6,253	5,899	5,452	4,904
% of net revenue expenditure				
-General Fund	-1.28%	-1.82%	-2.35%	-3.39%
-HRA	16.14%	15.46%	14.68%	13.91%
Total (%)	14.86%	13.64%	12.33%	10.52%

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Probable Outturn 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000
TREASURY INDICATORS				
Authorised limit				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
Total	250,000	250,000	250,000	250,000
HRA Debt Limit	230,839	230,839	230,839	230,839
Operational boundary				
for borrowing	242,647	242,647	242,647	242,647
for other long term liabilities	0	0	0	0
Total	242,647	242,647	242,647	242,647
Upper limit for total principal sums deposited for over 364 days	50,000	50,000	50,000	50,000
Upper limit for fixed & variable interest rate exposure				
Net interest on fixed rate borrowing/deposits	7,140	7,070	6,969	6,749
Net interest on variable rate borrowing/deposits	-27	-18	-15	-15
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
Certificates of Deposit (CDs)	Low risk certificates issued by banks which offer a higher rate of return
CIPFA	Chartered Institute of Public Finance and Accountancy
Corporate Bonds	Financial instruments issued by corporations
Counter-parties	Financial Institutions with which funds may be placed
Credit Risk	Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do
DCLG	Department for Communities & Local Government
Enhanced Cash Funds	Higher yielding funds typically for investments exceeding 3 months
Eurocurrency	Currency deposited by national governments or corporations in banks outside of their home market
External Gross Debt	Long-term liabilities including Private Finance Initiatives and Finance Leases
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing account where a council acts as landlord

Term	Definition
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
London Interbank Offered rate (LIBOR)	A benchmark rate that some of the leading banks charge each other for short-term loans
London Interbank Bid Rate (LIBID)	The average interest rate which major banks London banks borrow Eurocurrency deposits from other banks
Liquidity	A measure of how readily available a deposit is
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Minimum Revenue Provision (MRP)	Revenue charge to finance the repayment of debt
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods typically beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed
Quantitative Easing (QE)	A financial mechanism whereby the Central Bank creates money to buy bonds from financial institutions, which reduces interest rates, leaving businesses and individuals to borrow more. This is intended to lead to an increase in spending, creating more jobs and boosting the economy
PWLB	Public Works Loans Board - an Executive Government Agency of HM Treasury from which local authorities & other prescribed bodies may borrow at favourable interest rates
Security	A measure of the creditworthiness of a counter-party
Specified Investments	Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multi-lateral Development Bank Bond
UK Government Gilts	Longer-term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury

Term	Definition
Yield	Interest, or rate of return, on an investment

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Council Meeting

23 February 2017

Agenda Item 5 (a)

Budget Papers 2017/18

The Executive

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RECOMMENDATION TO COUNCIL (The Executive)
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Budget-Setting Report (BSR) 2017/18

Recommendations of the Executive, which met on 26 January 2017, are set out in the Budget-Setting Report which originally went to Strategy & Resources Scrutiny Committee on 23 January 2017 (version 1) which has now been updated (version 3) to reflect amendments at the Executive on 26 January 2017 and Strategy & Resources on 13 February 2017.

Unless otherwise specified, all references in the recommendations to Appendices, pages and sections relate to this version of the Budget-Setting Report (Version 3 - Council). This can be found via the Council agenda page:

<http://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=3053&Ver=4>

Accordingly, Council is recommended to:

General Fund Revenue Budgets: [Section 5, page 29 refers]

- a) Agree:
 - Revenue Pressures shown in Appendix C (a) and Savings shown in Appendix C (b).
 - Bids to be funded from External or Earmarked Funds as shown in Appendix C (c).
 - Non-Cash Limit items as shown in Appendix C (d).
- b) 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 B (b).
- c) Agree the level of Council Tax for 2017/18 as set out in Section 4 [page 25 refers].

Note that the Cambridgeshire Police and Crime Panel will meet on 1 February 2017 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 9 February 2017 and Cambridgeshire County Council will meet on 14 February 2017 to consider the amounts in precepts to be issued to the City Council for the year 2017/18.

Other Revenue:

- d) Agree 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) Agree delegation to the Head of Finance, as Section 151 Officer, to make the necessary detailed budgetary adjustments in the GF, to reflect the impact of the triennial valuation of the Cambridgeshire Local Government Pension Scheme.
- f) Agree a temporary earmarked fund to be set up to accumulate surplus NHB contributions to meet the requirement for funding of projects to mitigate the impacts in Cambridge of the A14 upgrade – the “A14 Mitigation Fund” [page 25 refers].

Capital: [Section 7, page 34 refers]

Capital Plan:

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

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 39 refers].

Version 3
Council

Budget-Setting Report 2017/18



February
2017

2017/18

Cambridge City Council

Version Control

	Version No.	Revised version / updates for:	Content / Items for Consideration
	1	Strategy & Resources Scrutiny Committee (23 January 2017)	Initial budget overview and budget proposals
		The Executive (26 January 2017)	Proposals of the Executive
	2	Special Strategy & Resources Scrutiny Committee (13 February 2017)	Amendments to Executive proposals Opposition budget amendment proposals
Current	3	Council (23 February 2017)	Final Proposals to Council Incorporating updates relating to; - Head of Finance final Section 25 report
	4	Council (Final)	Approved Budget-Setting Report incorporating - Final Local Government Finance Settlement 2017/18 - Decisions of Council - Appendix B(b) Council Tax Setting following receipt of County Council, Police and Fire Authority precepts

Anticipated Precept Setting Dates

Cambridgeshire Police and Crime Commissioner	Cambridgeshire & Peterborough Fire Authority	Cambridgeshire County Council
1 February 2017	9 February 2017	14 February 2017

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

Our budget for Cambridge

Each year, the City Council produces a financial plan for the year ahead – our budget for Cambridge. Backing this up we have a 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.

This budget will provide the resources to deliver our seven objectives of:

- Delivering sustainable prosperity for Cambridge and fair shares for all
- Tackling the city's housing crisis and delivering our planning objectives
- Making Cambridge safer and more inclusive
- Investing in improving transport
- Protecting our city's unique quality of life
- Protecting essential services and transforming council delivery
- Tackling climate change, and making Cambridge cleaner and greener

In producing a budget to achieve these objectives existing resources have been reviewed and reused or, where appropriate, rechannelled into providing improvements in delivery of existing services. For example, we have invested in shared council service delivery with South Cambridgeshire since 2014 which involves extra initial costs, but which then cuts our overall operating costs, and can also lead to improved service quality too.

In addition, new resources will be provided to further develop priority services or add new ones. In October 2016, £200,000 was added to the Sharing Prosperity Fund and a further £100,000 will be provided in this 2017 budget to fund extra work on alleviating poverty.

Projects being developed to be paid for from this fund include:

- Work to reduce fuel and water poverty in Cambridge
- Cookery classes for families with low incomes having to stretch meagre budgets

- Outreach work by Cambridge CAB in health centres for some of our most disadvantaged residents
- Financial literacy work with young people and adults.

The council is committed to tackling environmental and sustainability issues. To exemplify this, an additional (half time) Air Quality Officer and additional rapid electric charging points will be funded in 2017. Where possible electric vehicles will be bought when it comes to replacing any of the council's fleet of vans. The Climate Change Fund will be topped up with a further £250,000 enabling extra work to reduce the council's carbon footprint. Projects could include:

- Installation of LED lighting and improved boilers and control systems in council buildings
- Upgrading our properties with insulation and energy efficient double or secondary glazing
- Installation of photovoltaic panels on some council buildings, and adding a small combined heat and light power station in the Guildhall.

The Government's changes to social housing and welfare policy have had a serious impact on the ability of the council to plan and deliver its budget for managing and maintaining over 7,000 homes. There is a severe challenge to balancing the Housing Revenue Account and this is the subject of a separate report.

The council's extensive work to tackle homelessness and poor accommodation in the private housing sector will be further supported by a new post in the council's Housing Development Agency and the extension of the Town Hall Lettings Service, which helps small-scale local landlords rent their property to local people who need a place to live.

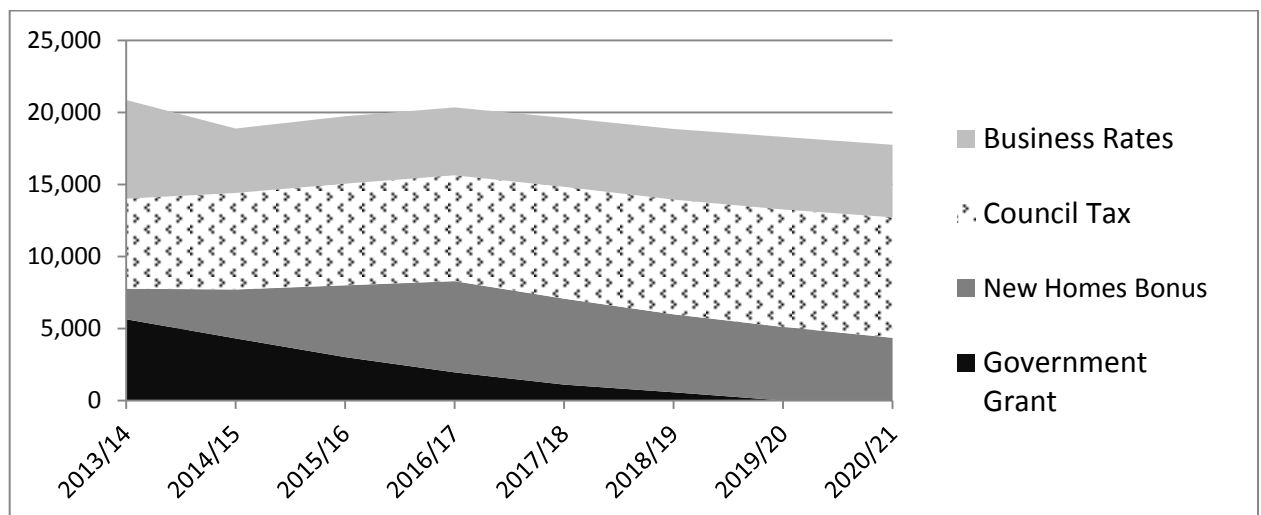
In 2016, given the need to help keep safe the many people out at night in our city, we decided to step in following county council cuts and keep all street lights on from 2am until 6am each night. We welcome the recent county council decision to reverse this cut, but have now decided to pay for the streetlights to be brighter from 10pm to 2am than they plan, including in residential areas and the city centre, increasing lighting levels by a third from their planned 60% overnight level, to 80% to increase safety.

Funding the budget

Local government has very little control over its core income. Business rates and national grants are controlled by the Government, who also restrict increases in council tax. In response to this highly regulated control over core income, the council has evolved a strategy which protects the council's financial future and the services that our residents rely on. Fundamental to the strategy are developing ways of running the council more productively and establishing ways which make us less reliant on government funding. In this way we will be more certain to have the finances to achieve our objectives.

In October 2016 an efficiency plan was produced covering the next four financial years to 2020/21. That document took on board the vision and objectives this council has set and which need resourcing. It brought together and further developed the range of policies built up over the past few years to cut costs and enhance income. We have now produced a budget for the first of those years ahead.

Producing the efficiency plan has led to the government agreeing to provide the council with certainty as to the minimum grant and other support to be received for the four years to 2020. While this is welcomed, it also reflects the reality that by 2019 the government will no longer be paying the council any core grant at all.



Historic and projected grant and tax income in £000

This chart shows the annual government grant dropping to nil by 2019. It also shows the reducing value of New Homes Bonus funding following the changes announced by the Government in December. The combination of these cuts puts more pressure on the council's budgets in the next few years and demonstrates the Government's intention that

councils should be funded primarily locally, through the council tax and business rates. These are both regressive forms of taxation applied uniformly regardless of income, and this change highlights the importance of the council's strategies of supporting those in most need and running the council as efficiently as possible.

Over the last few years the council has been working hard to find savings and develop income earning services to protect services our residents value the most, and protect Cambridge residents who most need our support. Our Efficiency Plan tackles the need to deliver good services with fewer resources through six complementary strands of activity:

- Transforming the way the council delivers services by focusing on what's important to service users and delivering that well, sharing services with neighbouring councils where possible to reduce costs and to create stronger and more resilient teams.
- Reducing the number of council offices, including the sale of Hobson House on St Andrews Street and plans for relocating Streets and Open Spaces operations to a new base at Cowley Road, north Cambridge.
- Investment in major capital projects including planning the redevelopment of major council assets starting with Park Street car park and Mill Road depot and opportunities for more housing on both sites.
- Developing new council businesses, including a new vehicle maintenance garage and fleet operation at Waterbeach, and ensuring all services think commercially and explore income generating opportunities.
- Investing money wisely so it does not sit in bank accounts earning very little but works to generate a better return for council tax payers. Since we took control of the council in 2014, an impressive £50 million of underused council resources has been freed up to invest in commercial property assets and to invest in housing via Cambridge City Housing Ltd, generating income for reinvestment while addressing affordable housing need.
- Challenging the council's capital programme to reduce low priority capital commitments by over £10m and ensure those schemes that do go ahead are well planned and delivered in a timely way.

Our work continues for the whole Cambridge community. We are determined to do everything we can to avoid cuts to frontline services and to deliver extra funding on our priorities. All of this is only possible due to our ambition, our financial prudence, and our determination to prioritise social justice. Our budget, described in detail in this document,

will help deliver more for you, despite cuts in funding, and help deliver our commitment of “One Cambridge, Fair for All”.

CLr Lewis Herbert, Leader

CLr Richard Robertson, Executive Councillor for Finance and Resources

Section 1

Introduction

Purpose

The Budget-Setting Report (BSR) is designed to provide an integrated view of the council's finances and outlook. It covers General Fund (GF) revenue and capital spending, highlighting the inter-relationships between the two, and the resultant implications. Detailed budget proposals for the Housing Revenue Account are presented and considered separately from this report.

On 20 October 2016 the council approved the Medium Term Financial Strategy (MTFS). The MTFS set out the financial strategy for the council in light of local and national policy priorities, external economic factors and the outlook for public sector funding. The MTFS also reviewed key assumptions and risks, thereby confirming the framework for detailed budget work for 2017/18 and beyond.

The BSR reviews the impacts of developments since the MTFS and sets the financial context for the consideration of detailed recommendations and budget finalisation to be made at council on 23 February 2017. The document proposes a detailed budget for the next financial year, and indicative budget projections for the following four years.

Background

The financial planning context for the BSR is set by the MTFS. This identified a total net savings requirement of £2.2m over the next 5 years, after taking into account changes to base assumptions and £212k of pressures and £106k of savings identified at that time.

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Net savings requirement	(0.737)	0.560	0.560	0.560	0.560	2.240

These savings requirements stem from significant reductions in government funding, unavoidable cost increases and pressures, including the additional net cost of services for every new home in the City. Considerable levels of risk and uncertainty remain, including the possible impacts of the review of business rates retention and associated additional responsibilities, business rates revaluation as at April 2017 and the future of New Homes Bonus. Whilst the council has a record of identifying and delivering savings through service reviews and value for money improvements, many such savings have already been delivered and it is becoming more difficult to identify and deliver further savings and efficiencies.

The council continues to deliver a programme of on-going transformation targeted at the way it delivers services and interacts with residents, tenants and other parties. There is an increasing emphasis on identifying and implementing proposals for income generation to make the council more financially sustainable. This BSR builds on what has been achieved, with particular emphasis on the continuing delivery of transformation projects, including shared services with neighbouring councils and the consolidation and improvement of the council's office accommodation.

Key dates

The key member decision-making dates are as follows:

Date	Task
2017	
23 January	Strategy and Resources Scrutiny Committee considers BSR
26 January	The Executive recommends BSR to Council
13 February	Special Strategy and Resources Scrutiny Committee considers any budget amendment proposals
23 February	Council approves the budget and sets the council tax for 2017/18

Section 2

Local and national policy context

Local policy context

The local policy context and priorities for the council are agreed each year through the adoption by council of an Annual Statement. The Annual Statement for 2016/17 was approved in May 2016 and can be accessed on the council's web site at:

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

The Annual Statement reflects and informs the council's Corporate Plan, which is included in this report at Appendix A. The plan sets out in more detail how the vision 'Building a fairer Cambridge together' will be delivered. The Corporate Plan is reviewed annually, with fuller reviews to be undertaken in 2018 and 2020.

MTFS 2016 included a foreword by the Leader of the Council and the Executive Councillor for Finance and Resources which supplements the Annual Statement and confirms the direction of travel for the council. It advocates planning ahead to make the council more productive and less reliant on external funding while maintaining and developing services. It embraces financial objectives of sound and prudent financial management, minimisation of the need for cuts to services and investment in a fairer and more equal city. This is reflected in the detailed framework for the budget work.

Corporate Plan

The Corporate Plan sets out the strategic objectives for Cambridge City Council for the years 2016-19. It sets out 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. The Corporate Plan provides a key component of the local policy context looking forward over the three year period it covers. It has been updated to reflect structures and responsibility changes. It is included as Appendix A to this report.

Review of demographic factors

Demographic factors impact on the council's financial strategies in terms of their effect on the level of demand for services, the specific types and nature of services and the income available to the council through council tax.

Services use projections and estimates of population growth and the number of new dwellings to plan for the impacts of growth. The expected location of these changes can also be significant, with an increase of nearly 20% in the Office of National Statistics (ONS) mid-year population estimates for the Trumpington ward from 2014 to 2015. This compares with an average population growth for the City of 0.3% in that year.

The direct budgetary impact of increased population could be a simple proportional uplift of service costs. However in other cases, a review of the current model of service delivery may be required, factoring in not only growth in population and dwellings, but also changes in demand, changes in the nature of that demand and the available funding envelope.

City Deal

The City Council is working with Cambridgeshire County Council, South Cambridgeshire District Council, the University of Cambridge and the Greater Cambridge Greater Peterborough Local Enterprise Partnership to deliver infrastructure, housing and skills targets as agreed with Government in the [Greater Cambridge City Deal](#). The deal consists of a grant of up to £500m, to be released over a 15 to 20 year period, expected to be matched by up to another £500m from local sources, including through the proceeds of growth.

The City Deal will help Greater Cambridge to maintain and grow its status as a prosperous economic area. The deal is working to:

- Create an infrastructure investment fund
- Accelerate the delivery of 33,000 planned homes
- Enable delivery of 1,000 extra affordable new homes on rural exception sites
- Deliver over 400 new Apprenticeships for young people
- Provide £1bn of local and national public sector investment, enabling an estimated £4bn of private sector investment in the Greater Cambridge area
- Create 45,000 new jobs
- Create a governance arrangement for joint decision making between local councils

The Greater Cambridge City Deal Executive Board engaged organisations and the public through the summer and autumn of 2016 on a set of proposals for tackling peak-time congestion in Cambridge and the resultant high levels of air pollution as well as travel disruption. The package of proposals put forward was suggested as a way of freeing up buses to run more rapidly and reliably, as well as promoting walking and cycling and other measures to move more people quickly and efficiently.

The City Deal team are assessing more than 9,000 consultation responses received. Proposals for how to achieve the objectives of moving people into and around the city and surrounding area will be developed during 2017. Whatever proposals are ultimately implemented may have impacts on City Council services, including potentially budgetary implications.

The service and financial impact of such measures will be factored into the council's financial planning in more detail as the impacts become clearer.

The council, with the other local authority partners, have agreed to create an investment and delivery fund from a proportion of New Homes Bonus (NHB). As a result of this, the BSR considers the application of funds from NHB, earmarking part of future uncommitted funding in line with the expected levels of contribution to the fund. This is covered further in Section 4, below.

Devolution

In Cambridgeshire and Peterborough, the councils and other major public services have come together to identify current barriers to economic growth and opportunities for further efficiency in major public services. A scheme has been developed with central government which devolves powers and functions to a Combined Authority with a directly elected Mayor, where these powers and functions can be more effectively carried out at a local level, rather than by national government and its agencies.

The Cambridgeshire and Peterborough Devolution Deal delivers:-

- A new £20m annual fund for the next 30 years to support economic growth, development of local infrastructure and jobs
- £100m for non-Housing Revenue Account (HRA) affordable, rent and shared ownership housing
- A further £70m for affordable housing in Cambridge, to build new council homes
- Government support for developing a university at Peterborough

- A Peterborough Enterprise Zone
- A local integrated job service
- A National Work and Health Programme
- A devolved skills and apprenticeship budget
- Potential rail improvements, including new rolling stock and improved King's Lynn – Cambridge – London rail
- Potential acceleration of transport improvements, including the A14/A142 junction and upgrades to the A10 and A47
- Further integration of local health and social care resources to provide better outcomes for residents

The council and its partners have agreed establishment of the Combined Authority. Work now continues to finalise arrangements and implement this decision, with mayoral elections planned for May 2017. At present, no financial impact from this decision on the City Council is expected, but this will be kept under review.

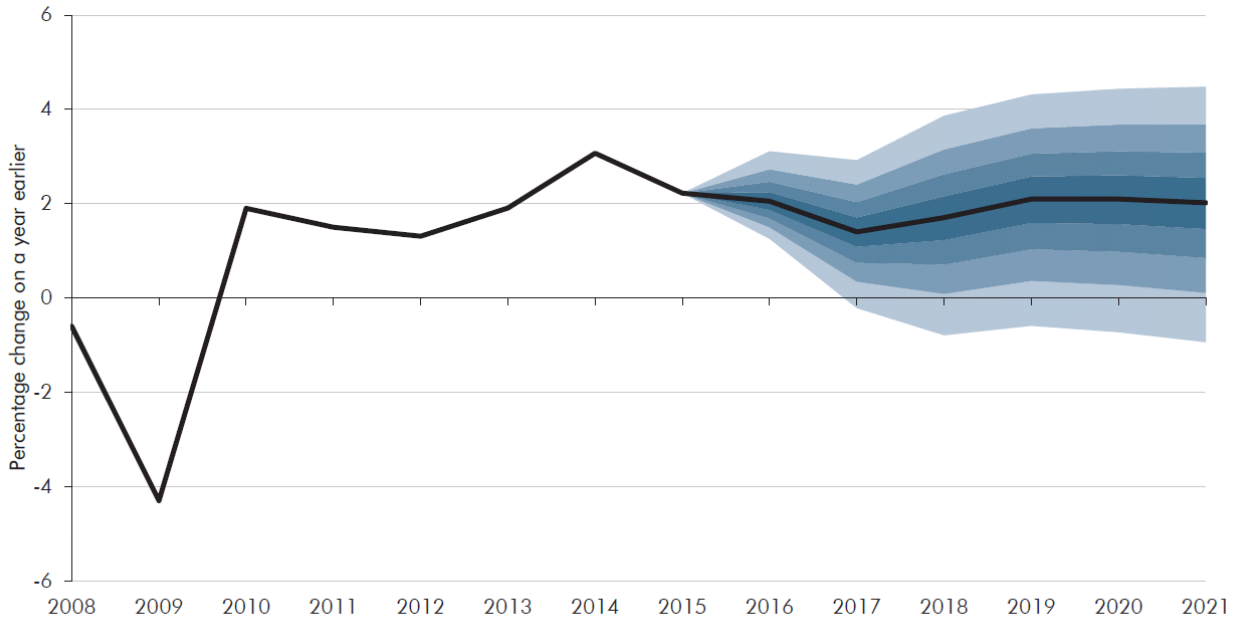
National policy context

Economic factors

2016 has seen a number of developments in the UK, EU, US and beyond that have a major impact on economic forecasts. These include Brexit and the result of the US Presidential election. These have caused volatility in currency, bond and stock markets around the world and make forecasting fraught with difficulty. In particular, the decline in the £ sterling against the US Dollar has increased inflation rate expectations. At the time of writing, considerable economic uncertainty remains. For example, economic forecasters will need to consider:-

- A range of outcomes possible in relation to Brexit negotiations, with no information available about the government's goals and expectations.
- Possible slowing of import and export growth as new trading arrangements are negotiated.
- The eventual timing of the UK leaving the EU
- Changes to net migration figures and their impact on the economy

However, by making assumptions and judgements, the Office of Budget Responsibility (OBR) forecasts a reduction in GDP growth, increases in CPI inflation, declines in business investment and private consumption and some small rises in unemployment. The chart below, showing a range of forecasts for real Gross Domestic Product (GDP) illustrates the level of future uncertainty.



Source: ONS, OBR

Forecasts confirm that the government is unlikely to achieve a balanced budget in the current parliament. Originally a budget surplus was projected for 2019/20 but the OBR now forecasts a deficit of £21.9bn. Public sector net borrowing is now expected to fall more slowly than previously forecast, reflecting weaker tax receipts and a more subdued outlook for economic growth following the Brexit referendum result.

As a result the Chancellor has proposed a looser 'fiscal mandate' with the objective to 'return the public finances to balance at the earliest possible date in the next parliament'.

Bank of England Gross Domestic Product (GDP) and Consumer Price Index (CPI) inflation forecasts from quarterly inflation reports are as follows:

Forecast (%)	2016	2017	2018	2019
GDP – November 2015	2.5	2.6	2.5	-
GDP – August 2016	2.0	0.8	1.8	-
GDP – November 2016	2.2	1.4	1.5	1.6

Forecast (%)	2016	2017	2018	2019
CPI – November 2015 (Q4)	1.2	2.1	2.2	-
CPI – August 2016 (Q3)	0.8	1.9	2.4	-
CPI – November 2016 (Q4)	1.3	2.7	2.7	2.4
CPI – MTFS October 2016	-	1.9 (2017/18)	2.4 (2018/19)	2.4 (2019/20)

These inflation forecasts show an under-provision of inflation in the MTFS of approximately 0.6% in 2017/18 (£126k) and 0.3% in 2018/19 (£63k). No adjustment to budgets is proposed at this time, as these amounts are small in relation to expenditure.

Interest rates

Interest rates are set by the Bank's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be met. At its meeting ending 3 August 2016, the MPC voted for a package of measures designed to provide additional support to growth and to achieve a sustainable return of inflation to the target of 2%. This package included a 25 basis point cut in Bank Rate to 0.25%.

Latest projections for interest rates from the council's treasury management advisors (Capita) as at November 2016, set out below, show the first rise in base rate (an increase to 0.50%) in June 2019.

%	2016/17			2017/18				2018/19				2019/20			
	NOW	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
BANK RATE	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.75	0.75
3 mth LIBID	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.40	0.50	0.60	0.70	0.80	0.90
6 mth LIBID	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.50	0.60	0.70	0.80	0.90	1.00
12 mth LIBID	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.80	0.80	0.90	1.00	1.10	1.20	1.30	1.40
PWLB															
5 year	1.50	1.60	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	2.00	2.00
10 year	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.70
25 year	3.00	2.90	2.90	2.90	2.90	3.00	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.30	3.40
50 year	2.70	2.70	2.70	2.70	2.70	2.80	2.80	2.80	2.90	2.90	3.00	3.00	3.10	3.10	3.20

Interest rates projection at November 2016(Capita)

The 2016 Autumn Statement

The government published the Autumn Statement on 23 November 2016.

In the light of the deteriorating economic context, the government has chosen to borrow to invest in infrastructure and innovation targeted at improving productivity. Government departments will continue to deliver spending plans set at Spending Review 2015. The efficiency review announced at Budget 2016, designed to deliver £3.5bn of savings, was reaffirmed. As a result government department spending control totals are unchanged and are expected to grow with inflation in 2020/21 and 2021/22.

The statement contained few items of relevance to the council, with little or no impact on the council's GF budget:

- Lettings agent fees will be banned. This will affect the council's housing company, removing one of its competitive advantages.
- The government has confirmed the transitional scheme to be applied to the 2017 revaluation for business rates.
- The national Living Wage will be increased by 4.2% to £7.50/hour from April 2017.
- Employer and employee thresholds for National Insurance (NI) will be aligned, simplifying the payment of NI for employers.
- Reforms to off-payroll working rules in the public sector will move responsibility to councils for operating these rules, increasing the administrative burden.

However, the statement included a number of announcements relating to housing that are relevant to and provide opportunities for the council. Where applicable to the Housing Revenue Account (HRA), they are addressed in the HRA BSR which is presented to the Housing Scrutiny Committee and then to Council alongside this report. Housing announcements included:-

- A £2.3bn Housing Infrastructure Fund to deliver infrastructure to support the building of 100,000 new homes in high demand areas. This will be allocated to local government on a competitive basis. Once details are available, the council along with local partners will consider making a bid for this funding.

- An additional £1.4bn of funding for building an additional 40,000 homes from the Affordable Homes Programme.
- A confirmation that the "Pay to Stay" scheme would be voluntary for councils.
- The cap on Housing Benefit and Local housing Allowance rates in the social rented sector will be delayed by one year to 2019.

The government also announced that in future there will be one major fiscal event per year in the autumn. There will be both a spring and autumn Budget in 2017. Thereafter the OBR will produce a spring forecast and the government will make a Spring Statement to respond to that forecast.

Section 3

Public budget consultation

Context and approach

The Council has carried out a budget consultation exercise annually since 2002.

This year the council commissioned Mel Research, an independent research company, to carry out a residents' survey following methodology set out in the Local Government Association's (LGA) 'Are you being served' guidelines¹. This involved sending out by post a questionnaire to a random sample of 4,400 residents. From this random sample 1,250 people returned questionnaires, providing a robust view of what Cambridge residents think.

The questionnaire asked what residents thought about the council, the level of importance they attached to council services, how satisfied they were with services, and how they interacted with the council. Some questions were comparable with those asked in surveys carried out in 2011 and 2008, allowing for changes over a period of time to be identified. Where other local authorities have used the same LGA approach it has been possible to benchmark results.

Because a random sample was used some of the participating residents may have had little contact with the council or experience of council services. For council services that target small groups of people, such as the homeless, this meant that respondents were more inclined to say "neither disagree or agree", giving a lower net-satisfaction score for the service. This should be born in mind when considering net-satisfaction results in the report.

The final report also includes insights provided by two workshops - the first involving residents from low income households and the second representatives from local businesses. These two groups are important because of the direction given by the council's Anti-Poverty

¹Local Government Association's (LGA) 'Are you being served' guidelines can be found here: [http://www.local.gov.uk/web/10180/home/-/journal_content/56/10180/3484891/ARTICLE ?](http://www.local.gov.uk/web/10180/home/-/journal_content/56/10180/3484891/ARTICLE)

Strategy and the need for the council's to fulfil its best value duty to consult about its budget priorities.

The residents' survey was published² on 17 November 2016.

Key consultation findings

Headline results

The headline results of the residents' survey report show increased levels of satisfaction with council services and the way in that the council runs things. The main headlines were:

- 76% of residents are satisfied with the way the council runs services, which is an improvement of 20% since 2011
- 55% of residents agree that the council provides value for money, which is an improvement of 22% since 2011
- 80% of residents agree that the city council is accessible to the public, 79% agree that it cares about the environment and 75% agree that the city council is easy to contact, and
- 78% of residents indicate they are well informed about how to contact the city council and 64% said the council keeps them "well informed".

Importance of services

Residents were asked to rank the level of importance they attached to each of twenty four council services listed and to indicate whether they felt a service could be provided at lower standard or stopped.

Residents said that the two most important services for them were:

- The collection of rubbish, recycling and green waste (98%), and
- Work with the Police to prevent crime and anti-social behaviour and promote community cohesion (95%).

For services that residents felt could be provided at a lower standard they highlighted:

² The residents' survey 2016 can be found here: <https://www.cambridge.gov.uk/budget-consultation>

- Managing and maintaining the city car parks (39%) and,
- Funding arts and entertainment activities (34%).

Very few residents, 5% or less, identified services that they felt should be stopped all together.

Finding savings

Residents were also asked to consider a range of statements about how the council could find savings, to help meet the financial challenges it is facing, and to state their level of support for each approach.

The two most supported approaches to finding savings were:

- Working with other councils to deliver efficient shared services (93% agreed), and
- Partnership working with local trusts/not for profit organisations (88% agreed).

The two approaches that received the least support were:

- Increase charges for public supplied services and the vast majority (54% disagreed), and
- The council should reduce capital spending on physical community assets (80% disagreed).

Views from workshops

Residents in the workshop involving people from low income households, whilst generally supportive of the council and its services, raised concerns about levels of anti-social behaviour in their neighbourhoods, the cleaning of communal areas and the collection of waste and recycling from communal collection areas.

In the workshop with local business representatives, who have an interest in the city and the way the city council may choose to prioritise its services in the future, most business representatives expressed satisfaction with the local environment and how the council maintained street cleaning and associated services. However, they wished to see greater support for housing services, to assist with recruitment and a focus on improving transport and reducing car parking charges.

Next steps

The council will continue to work hard to deliver good quality services, against a background of financial challenges, and whilst it is pleasing to see this evidence of improved levels of satisfaction the council will take time to consider all of the detail from the survey and will look closely at what people have said so that we can continue to improve the way we work.

Section 4

General Fund resources

Local government finance settlement 2017/18

In December 2015, as part of the provisional local government settlement, a four year funding guarantee was offered to councils that submit an efficiency plan. The City Council's plan has been accepted by government, confirming revenue support grant (RSG) and baseline levels of business rates for 2016/17 to 2019/20.

The provisional finance settlement was published on 15 December 2016. It provides provisional figures for 2017/18 and indicative figures for the following two years. However, certain elements are subject to the funding guarantee described above. The government has responded to its consultation on New Homes Bonus (NHB), with initial reductions coming through into the settlement figures presented below. Certain aspects of the proposed changes to this funding stream remain to be decided; these are covered in more detail in the section below on NHB.

The final local government finance settlement is not expected to be agreed until after parliament returns from recess on 20 February 2017.

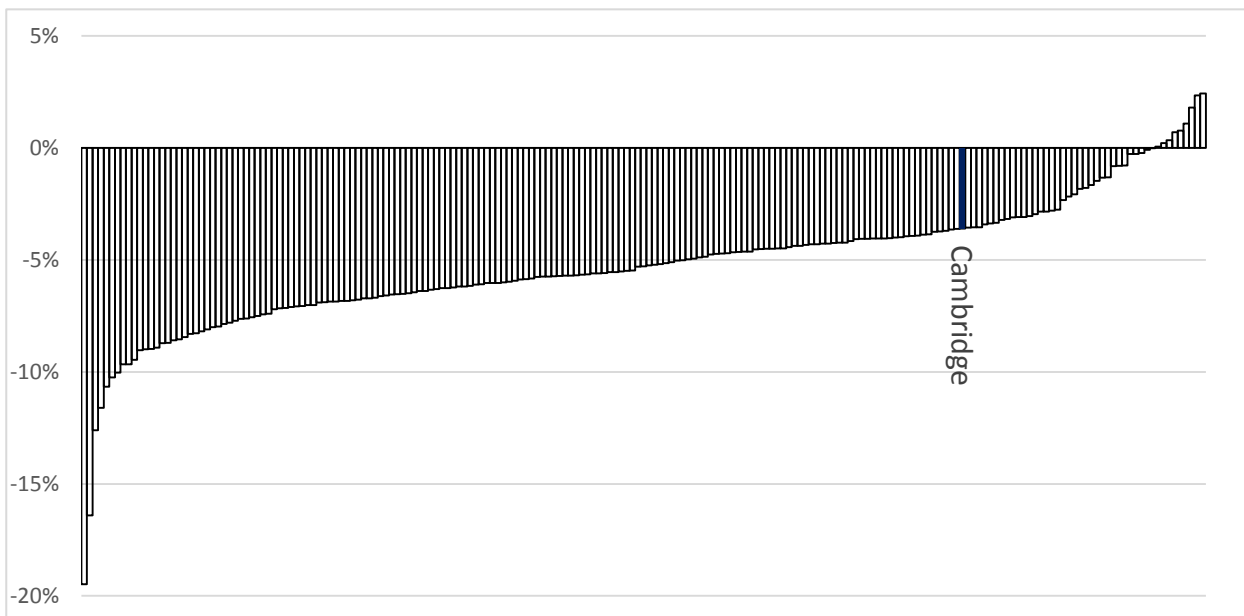
Uncertainty remains for 2018/19 and beyond as government continues to develop the 100% business rates retention scheme. This work includes identifying further responsibilities to devolve to councils to match higher levels of business rates retention and a review of needs and distribution.

Core spending power

Element of core spending power (£000)	2016/17	2017/18 Provisional	Change	2018/19	2019/20
Settlement Funding Assessment (SFA):					
- Revenue Support Grant (RSG)	1,954	1,103	(43.6%)	571	0
- Business rates baseline	3,910	3,990	2.0%	4,118	4,264
- Business rate tariff adjustment	-	-	-	-	(24)
	5,864	5,093	(13.1%)	4,689	4,240
New Homes Bonus (NHB) grant ¹	6,332	5,973	(5.7%)	4,559	4,374
Council tax income ¹	7,440	7,861	5.7%	8,301	8,760
Core spending power	19,636	18,928	(3.6%)	17,549	17,374

¹ – Figures based on government projections

Lower Tier Authorities: Change in core spending power 2016/17 – 2017/18



These figures imply a decrease of 3.6% in core spending power over 2016/17, including a confirmed decrease of nearly 6% for NHB. It should be noted that government projections of council tax are based on assumptions relating to council tax yields (a combination of increases in council tax and in the tax base). The core spending power measure, based on

illustrative amounts for NHB, shows a decline of 8.2% over the four years of the spending review period.

There are no material changes in the SFA from that included in MTF5 2016, as this funding has been guaranteed following the government's acceptance of the council's efficiency plan.

Future prospects

The provisional settlement provides confirmed amounts for the SFA for 2017/18 and the following two years. However NHB and therefore core spending power is not guaranteed by the multiyear settlement.

SFA	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Provisional finance settlement	5,864	5,093	4,689	4,240
MFR 2016 projection	5,864	5,090	4,675	4,235
(Shortfall) / Excess	0	3	14	5
NHB				
Provisional finance settlement ¹	6,332	5,973	4,559	4,374
MFR 2016 projection	6,332	7,262	8,531	9,694
(Shortfall) / Excess		(1,289)	(3,972)	(5,320)

¹ – The 2017/18 amount has been confirmed by government. Later amounts are as presented in the finance settlement papers and have been calculated by government by apportioning available funding across councils based on 2017/18 figures.

No adjustments have been made for the proposed 100% retention of business rates (see below) as the outcome of consultation and development work has yet to be finalised.

Local retention of business rates

The SFA approach enables local authorities to benefit directly from supporting local business growth. The assessment includes a baseline level of business rates receivable (indexed linked from an initial assessment in 2013/14) with the level of rates receivable

above that being taken by government as a 'tariff' – which will be used to 'top-up' local authorities who would receive less than their funding level. Government intends that this will be fixed until 2020.

In addition, the council can retain 50% of any business rates collected above the assumed baseline level, paying the remainder to central government as a 'levy'. If business rates income falls to less than 92.5% of the baseline, the council receives a 'safety net' payment so that any loss of income below the baseline is capped at 7.5%

One of the challenges faced by all authorities is effectively predicting the level of movement in the business rate tax base. This is dependent on accurately forecasting the timing and incidences of new properties, demolitions and significant refurbishments – together with the consequent effect on valuations. This is further complicated by the need to assess the level of appeals that will be lodged successfully against new / revised valuations, together with their timing.

Although there has been growth in the tax base in the city since the scheme started in 2013/14, there have also been significant reductions as a result of the settling of appeals against rateable value (including backdated aspects).

Forecasting the effects and timing of new development and redevelopment on the city's tax base remains difficult. Significant development is continuing, for example on the Cambridge Biomedical campus and in the station area. However, there are significant uncertainties around the operation of the business rates retention scheme in the next few years. These include:

- The DCLG is currently working with local authorities and other interested parties on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the parliament. A first set of consultations took place in summer 2016. The review may rebalance the distribution of business rates away from district councils towards those authorities with social care responsibilities, for example by changing the tariff and top-up payments, or the relative shares of income between the tiers of local government. The government has also indicated that 100% retention will mean the transfer of additional funding burdens to local government. The exact timing of the change or whether it will be phased in is not clear.

- A rates revaluation at 1 April 2017. The Valuation Office Agency issued draft ratings lists on 30 September. The business rates multiplier will also be revised so that the overall national business rates bill will only rise in line with inflation. Although intended to be fiscally neutral overall, it will be difficult for the impact of the revaluation to be completely neutral for every authority. Although the council's share of income is expected to increase, the government will make a compensating adjustment to the tariff paid by the council, and is currently consulting on how this will be calculated.

The appeals position remains difficult to forecast accurately, with appeals settled elsewhere in the country having knock-on effects nationally. NHS Foundation Trusts, including those in the city, are also pursuing a claim for award of mandatory charitable relief, backdated a number of years.

Given these uncertainties the BSR takes a cautious approach to forecasting business rates income. The overall position is currently projected to reflect additional net income above the baseline of £800k in each year.

In addition to the current national business rates retention scheme the government announced a pilot 100% retention scheme for Cambridgeshire in spring 2015. This scheme additionally allows the council to retain an extra 50% of any growth above the 15/16 baseline, inflated by the multiplier and 0.5% each year. The detailed regulations covering this have yet to be made. The council did not accrue any significant additional income for 2015/16. As this money may be pooled with similar amounts from other local authority partners and allocated to joint projects, the BSR has not assumed any contribution from the pilot.

New Homes Bonus

The allocation of NHB for 2017/18 was announced by the DCLG in December 2016 and forms the basis for BSR 2017/18. Illustrative amounts for the following three years were provided within the provisional finance settlement, see above.

The outcome of the technical consultation on the NHB scheme was published alongside the provisional settlement. This confirmed the expected direction of travel, 'sharpening the incentive' for councils to deliver new housing. Specifically:-

- The length of NHB payments will be cut from six to five years in 2017/18, and further reduced to four years from 2018/19 onwards.
- A national baseline, or 'deadweight', of 0.4% has been introduced, below which NHB will not be paid. The government has retained the option of adjusting this baseline, effectively providing a mechanism to control the total NHB payable to councils. The City Council will receive 80% of NHB payable on increases in housing stock above the 0.4% deadweight, with the County Council receiving the remaining 20%.
- From 2018/19 the government will consider withholding NHB payments from councils without a local plan, and for houses built following planning appeals. Work continues to complete the processes for adopting the Local Plan but the specifics including timing are also dependent on the Planning Inspection process.

The table below includes estimates of future NHB payments based on expected housing completions and the years of payment and deadweight indicated in the government's consultation response. Any changes in these factors could materially impact these estimates.

NHB is currently used to fund both revenue and capital spending related principally to growth and place. Currently 50% of NHB is set aside as a contribution to the City Deal Investment and Delivery Fund, with remaining amounts reserved for schemes to mitigate the impacts of the A14 upgrade. However, the council's revenue expenditure and A14 mitigation take priority over the contribution to the City Deal Investment and Delivery Fund.

Projections of future NHB indicate that it will not be possible to maintain the 50% contributions to the City Deal. After discussions with partners and considering various options it has been agreed that City Deal contributions will be reduced to 40% from 2017/18 onwards. The following table illustrates the impact of contributing 40% of gross NHB receipts to the City Deal Investment and Delivery Fund. Uncommitted NHB receipts in 2017/18 and 2018/19 will be held in reserve to fund the A14 mitigation contribution.

New Homes Bonus	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Confirmed NHB funding at February 2016 BSR	(6,332)	(4,801)	(2,947)	(1,360)	-	-
Add						
Confirmed NHB receipts for 2017/18	-	(1,161)	(1,161)	(1,161)	(1,161)	-
Estimated NHB receipts for 2018/19	-	-	(1,302)	(1,302)	(1,302)	(1,302)

New Homes Bonus	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Estimated NHB receipts for 2019/20	-	-	-	(1,274)	(1,274)	(1,274)
Estimated NHB receipts for 2020/21	-	-	-	-	(610)	(610)
Estimated NHB receipts for 2021/22	-	-	-	-	-	(952)
Potential New Homes Bonus Total	(6,332)	(5,962)	(5,410)	(5,098)	(4,348)	(4,139)
Commitments against NHB						
Funding for officers supporting growth e.g. within planning	785	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	564
Public Realm Officer - Growth X3782	35	35	35	-	-	-
Direct revenue funding of capital	1,075	1,075	1,075	1,075	1,075	1,075
Contribution to A14 mitigation	-	-	-	1,500	-	-
Further approvals	-	400	-	-	-	-
A14 mitigation contribution funded from reserved amounts	-	-	-	(1,505)	-	-
Contribution to City Deal Investment and Delivery Fund	3,166	2,385	2,164	2,039	1,739	1,656
Total commitments against NHB	5,625	5,244	4,623	4,458	4,163	4,080
NHB reserved for A14 mitigation	0	718	787	0	0	0
Cumulative amounts reserved for A14 mitigation	0	(718)	(1,505)	0	0	0
NHB uncommitted	707	0	0	639	185	59

The above summary shows significant levels of reduction in expected NHB receipts in future years (£14.6m over the four years from 2017/18), demonstrating the importance of keeping this funding distinct from the core funding required to support ongoing services.

Earmarked and specific funds

In addition to general reserves, the council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. Details of opening and closing balances, with approved/anticipated use over the budget period are set out in Appendix F.

These funds have been rationalised over the last couple of years, with the aim of retaining only major policy-led funds. A number of funds still remain with residual balances and commitments; however these will be closed as soon as the commitments are delivered. The major earmarked and specific funds are listed below.

Sharing prosperity fund

The fund provides resources to fund fixed-term and one-off projects and proposals that support the objectives of the council's [Anti-Poverty Strategy](#), namely:

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

To date 25 allocations have been made from the fund, which have a total value of £1,084,813. These allocations were made through: the Budget Amendment in July 2014; the Budget Setting Report (BSR) in February 2015; and decisions made in September 2015, March 2016, June 2016 and November 2016 following the approval process outlined above.

Some of the projects supported by the fund to date have included:

- Living Wage campaign officer and associated promotional budget
- Expansion of credit union services and a junior savers project in schools
- A programme of apprenticeships in council services
- Outreach advice work for people with mental health issues associated with low income and debt

- Work to address fuel and water poverty, including promotion of water meters, energy efficiency measures and a county-wide collective energy switching scheme
- Free swimming lessons for children from low income families
- Promotion of healthy eating through cookery skills workshops for low income families and a programme of free holiday lunches at community centres and other venues
- A programme of arts and cultural activity to develop self-awareness, resilience and leadership skills amongst young people from low income families
- Provision of training and other support to promote digital skills and inclusion

A further £200k was allocated to the fund through the MTFS in October 2016, and officers were invited to submit proposals for new projects by 28 November 2016. These proposals were considered by the Anti-Poverty Strategy Project Board on 13 December 2016 and will be submitted for approval by the Executive Councillor for Communities in early January 2017.

Climate change fund

The Council's five key objectives in relation to climate change are set out in its [Climate Change Strategy](#) for 2016-2021. The first of these objectives is 'reducing emissions from the City Council estate and operations'.

To ensure a strategic approach to this objective, the council has produced two Carbon Management Plans for 2011/12 - 2015/2016 and 2016/17 - 2020/21. We delivered 47 carbon reduction projects during the period of the first plan, and have identified 22 projects so far for delivery during the first two years of the second plan.

In 2008 the Council established a dedicated Climate Change Fund (CCF) to finance projects that will contribute to the reduction of carbon emissions from the Council's estate and operations. The fund supports projects focussing on:

- Energy and fuel efficiency;
- Sustainable transport;
- Waste minimisation; or
- Management of climate change risks.

Activities that can be supported include infrastructure, equipment, feasibility studies and awareness activities to change the behaviour of staff. Project proposals are assessed using a number of key criteria, including:

- Annual reduction in carbon dioxide emissions;
- Cost effectiveness (£ per tonne of CO₂ saved);
- Annual financial savings resulting from the project; and
- Payback period on investment.

Between 2008/09 and 2016/17, over £800k has been allocated to the Climate Change Fund and 29 projects have been supported by the fund, including some of those set out in the Carbon Management Plans. In addition to this, a range of other sources of funding have been used to support carbon reduction projects. Projects funded to date through the CCF have included:

- A solar thermal system to provide hot water at Abbey Pool, pool covers at Parkside and Abbey Pools, and energy efficiency measures at Parkside Pool changing rooms
- LED lighting at Mandela House, the Corn Exchange, the Crematorium, and Grafton West, Grafton East and Grand Arcade car parks
- Voltage optimisation technology at the Guildhall, Mandela House and Grafton East car park
- Upgrading boilers and installing heating controls at a number of community centres, leisure centres and administrative buildings.

Future allocations will be used to support projects identified in the Carbon Management Plan for 2017/18 and beyond, including a range of energy efficiency improvements to the Guildhall, potentially including solar photo-voltaics, LED lighting, a Combined Heat and Power system and a Building and Energy Management system.

City Deal investment and delivery fund

The Council has committed to pooling a proportion of gross NHB receipts with its local authority partners to provide funding to enable delivery of City Deal objectives which will support and address the impacts of growth. The governance of the fund will be aligned with the governance of the City Deal.

Invest for income fund

This fund was set up at BSR 2015 with contributions of £8m over three years. The purpose of the fund is to invest to create income streams to support service delivery in future years. Since inception, work has been undertaken to identify, investigate and evaluate a number of investment proposals. The Invest for income fund could be used to fund schemes where there is a high likelihood of achieving returns of 5% or more. Larger schemes would need to combine several sources of funding.

Asset replacement funds

These are maintained to fund the periodic replacement of assets. Annual contributions are based on estimated replacement costs, spread over the anticipated life of the assets; these funds are kept for vehicles only.

Office accommodation strategy fund

This fund was set up at BSR 2016 to fund the ongoing programme of office / depot rationalisation. The office accommodation strategy works towards consolidating the council's city centre office accommodation at the Guildhall and developing longer term options for building rationalisation. The depot will be released by relocating operational services to new depot facilities elsewhere in Cambridge and to Waterbeach Shared Waste and Garage sites. A significant amount of cultural change in how and where staff work will be required. This will include smart working, changes in how teams are managed, reductions in space per desk and desk to staff ratios. These will need to be underpinned by investment in smart working technology and further roll out of data and records management regimes.

A14 Mitigation Fund

As proposed in the NHB section above, a temporary earmarked fund will be set up to accumulate surplus NHB contributions to meet the requirement for funding of projects to mitigate the impacts in Cambridge of the A14 upgrade.

Tax base and council tax

Tax base

The tax base is one element in determining both the level of council tax to be set and the amount it is estimated will be collected. This calculation is governed by regulation and the

formal setting of the tax base is delegated to the Head of Finance to enable notification to be made to the major precepting authorities during January each year.

The tax base reflects the number of domestic properties in the city expressed as an equivalent number of band D properties, calculated using the relative weightings for each property band. The calculation of the tax base takes account of various discounts (for example a 25% discount for single adult households) exemptions and reliefs. Allowances are also made for the projected growth in the number of dwellings as well as including a deduction assumed for non-collection.

The tax base for 2017/18 has been calculated as 41,977.2 and details of its calculation are given in Appendix B (a) and will form the basis of the final approved level for tax setting and precepting purposes. This reflects a 2.6% increase in the tax base compared with 2016/17.

Collection fund

Operation of the fund

The collection fund is a statutory fund, maintained by billing authorities such as the City council, into which income from council tax and business rates is recorded and out of which respective amounts set for the year, are paid to the City council and precepting bodies.

Forecast position at 31 March 2017

The collection fund for council tax is projected to have a deficit at the end of the current year of £282,761. The City council's share of this projected year-end deficit is £32,169 and this will need to be taken into account in setting the council's budget for 2017/18. The position for business rates was described in Section 3.

Council tax thresholds

Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase council tax above the relevant limit set by the Secretary of State.

In recent years this threshold has been set at 2%, with some shire districts, including the City council, permitted to increase their element of council tax by up to £5, where this is higher than 2%. The government has confirmed the £5 limit for all shire district councils for 2017/18. The £5 increase may be available in future years, but this has not been confirmed.

Therefore, for future years, increases of 2% have been retained in projections of council tax income.

The overall effect of the referendum requirements is such that a local authority would need to have reasonable expectation of public support for a level of council tax increase deemed to be excessive compared to the threshold, if acting in a prudent manner.

Council tax level

Financial projections of the council tax level made for the September 2016 MFR included the assumption of an increase of £5 for 2017/18 and approximately 2% per annum thereafter.

In light of the position with regard to the council tax threshold, as described above, the BSR incorporates a council tax increase in 2017/18 to £186.75 for band D and proportionately for other bands.

Section 52Z of the Local Government Finance Act 1992 requires the authority to consider whether the relevant basic amount of council tax for the financial year in question is excessive, based on the principles determined by the Secretary of State. As noted above, the threshold set for 2017/18 is that an increase is excessive where it is more than £5 on the band D charge, which means that the City council's proposed increase would not be deemed excessive.

The table below shows the City council element of council tax for 2016/17 for each property band together with the proposed levels for 2017/18:

	City Council tax		
Band	2016/17 £	2017/18 £	Difference £
A	121.17	124.50	3.33
B	141.36	145.25	3.89
C	161.56	166.00	4.44
D	181.75	186.75	5.00
E	222.14	228.25	6.11
F	262.53	269.75	7.22
G	302.92	311.25	8.33
H	363.50	373.50	10.00

Section 5

General Fund revenue budgets

Revised budget 2016/17

GF revenue budgets for the current year (2016/17) were reviewed as part of the MTFs. It should be noted that the revised budget includes carry forward approvals from 2015/16. No adjustment of 2016/17 revenue budgets is proposed, as budgets are monitored monthly through the review of variances and forecast outturns, and management actions taken to ensure that spending is controlled and income optimised.

Budget proposals

The GF revenue projections for 2017/18 to 2021/22 as presented in the MTFs have been reviewed and changes proposed. Proposals have arisen from policy initiatives, additional income opportunities balanced by additional staffing costs where appropriate, on-going service transformations, unavoidable increases in costs and savings opportunities. The impact of these proposals is shown below. The detailed proposals are set out in Appendices C (a) and C (b).

Performance against savings target

Savings Targets	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
MTFS 2016 - Current Savings Target (new savings each year)	(737)	560	560	560	560
Previous year savings not achieved / (over achieved)	-	512	-	-	-
Revised savings target	(737)	1,072	560	560	560
New pressures in year *	1,247	(724)	(25)	1	-
Revised savings target including pressures	510	348	535	561	560
New deliverable savings found in year *	(735)	(100)	(219)	-	-
Savings still to be found	(225)	248	316	561	560

Memo:					
Net new pressures and savings - see Appendices C (a) and C (b)*	512	(322)	(566)	(565)	(565)
Year on year impact on savings target	-	(834)	(244)	1	-

This shows that the savings target for 2017/18 should be achieved in year. For the purposes of this table, it has been assumed that where there are savings still to be found they will be achieved in the year, and will not therefore roll forward to later years. It should be noted that the Council has embarked on a long-term programme of savings and income generation, which will require an on-going focus on delivery. Work is already in progress to identify more projects to contribute to savings requirements going forward.

The table shows that the overall effect of the measures recommended in the BSR has:

- Resulted in a total level of net savings of £1.7m across the period from 2017/18 to 2021/22.
- Resulted in a net savings requirement of £238k for the next budget year (2018/19), and £316k net savings requirement for the year after that. These comparatively low levels of savings in the first two years of the budget period will provide time for the delivery of longer term, more challenging transformational projects that are now required.

Review of significant proposals

Contribution to the Climate Change Fund

An additional allocation of £250k is proposed to support carbon reduction projects to be delivered in 2017/18. These include a range of energy saving measures at the Guildhall, which could include solar PV, LED lighting, a combined heat and power system and a building and energy management system.

Contribution to the Sharing Prosperity Fund

An additional allocation of £100k is proposed to support the delivery of projects which will support residents on low incomes and meet needs identified in the Anti-Poverty Strategy. This could include: further work to promote financial literacy and inclusion; further work to address fuel and water poverty; continued support for volunteering and skills development; and projects to improve the mental and physical health of residents on low incomes.

Transformation programme funding

Additional funding of £423k over two years is requested for the business transformation programme. The council has previously allocated significant funding for a complex council-wide programme of transformational change, including shared services. This additional funding will enable further projects to be delivered over the next two years, providing additional change resources and other staffing costs associated with the programme.

Unavoidable revenue pressures

A pressure of £266k arising from the effects of the business rates revaluation on the council's property portfolio has been identified. In future this may be reduced on appeal. Changes to the way in which holiday pay must be calculated have given rise to a pressure of £47k for the GF.

Additional commercial property income and associated capacity to deliver

Increased rental income from commercial property, £235k in 2017/18 rising to £610k p.a. in 2018/19 and future years has been identified. This will arise from ongoing rent reviews, lease renewals and lettings on existing properties and from rental income from future acquisitions funded by £20m allocated to commercial property investment in the Medium Term Financial Strategy. A related bid for £57k is also presented to provide an additional officer to support the increased workload within Property Services arising from the enlarged commercial property portfolio, the general fund development programme and other growth-related work.

Non-cash limit items

In general, non-cash limit items do not impact on savings requirements - they are use of, or contributions to, reserves. As such, they are only used for one-off items, principally of a transformational or policy nature.

Funding variances

Differences in funding allocations and outturns from previous estimates are actioned as non-cash limit items, for example, differences on the local government finance settlement such as the changes in NHB noted above, changes arising from re-estimation of the council tax base and the council's share of the council tax collection fund deficit. Detailed proposals are shown in Appendix C (c).

Other considerations – pension fund contributions

The council is an employing authority within the Cambridgeshire Local Government Pension Scheme. Contributions to the scheme are subject to revision following regular triennial valuations. The latest valuation, which will determine contributions for the years 2017/18, 2018/19 and 2019/20, is now available in draft and is subject to discussion and agreement with the scheme actuary. Initial indications are that pension contribution rates will be agreed within available budgets for these years and therefore no budget proposals are required.

The council has the opportunity to consolidate lump sum deficit recovery payments due in the three year period into one payment in 2017/18. This would reduce the amount paid in total and is likely to provide a better 'return' on cash than is currently available through the approved investment strategy. The viability of this approach will depend on actuarial and technical accounting considerations which are currently under investigation.

Bids for external or earmarked funds

As set out in Section 4, in addition to general reserves, the council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. There are no bids against these funds requiring consideration in this report. However, a remit exists for each major policy-led fund setting out the purpose of the fund and the process for allocations from the fund during the year.

Appendix C (d) provides details of a bid for contributions towards the costs of the Local Plan, to be funded from NHB.

Section 6

General Fund: Expenditure and funding 2016/17 to 2021/22

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Expenditure						
Net service budgets	19,520	18,255	18,013	19,045	17,718	18,786
Revenue Budget Proposals - BSR	-	512	(322)	(566)	(565)	(565)
Capital accounting adjustments	(5,423)	(5,423)	(5,423)	(5,423)	(5,423)	(5,423)
Capital expenditure financed from revenue	3,599	2,264	1,564	1,786	1,786	1,786
Contributions to earmarked funds	9,878	6,140	5,757	4,177	5,488	4,485
Revised net savings requirement	-	225	(238)	(316)	(561)	(560)
Net spending requirement	27,574	21,973	19,351	18,703	18,443	18,509
Funded by:						
Settlement Funding Assessment (SFA)	(5,864)	(5,090)	(4,675)	(4,235)	(4,235)	(4,235)
Locally Retained Business Rates – Growth Element	(800)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	-	-	-	-	-	-
New Homes Bonus (NHB)	(6,332)	(5,962)	(5,410)	(5,098)	(4,348)	(4,139)
Appropriations from earmarked funds	(1,409)	-	-	(1,080)	-	-
Council Tax	(7,353)	(7,807)	(8,178)	(8,448)	(8,773)	(8,983)
Contributions to / (from) reserves	(5,817)	(2,314)	(289)	958	(286)	(352)
Total funding	(27,575)	(21,973)	(19,352)	(18,703)	(18,442)	(18,509)

Section 7

Capital

Introduction

The council's asset portfolio as at 1 April 2016 is shown below.

Category	Value £000	%
Operational assets:		
Council dwellings	586,941	63.1
Other land and buildings	138,449	14.9
Vehicles, plant and equipment	19,726	2.1
Infrastructure assets	4,262	0.5
Community assets	1,173	0.1
Total operational assets	750,551	80.7
Non-operational assets		
Investment properties	144,274	15.5
Surplus properties	3,682	0.4
Assets under construction	31,853	3.4
Total non-operational assets	179,809	19.3
Overall total	930,360	100.0

The portfolio includes council housing, assets for direct service provision such as swimming pools, community centres, car parks, vehicles and equipment, as well as substantial areas of common land. In addition to the assets used for service provision, the council has a portfolio of commercial property. Each asset needs to provide an appropriate return on the investment made by the council and also be fit for the purpose for which it is used.

The council has developed long-term accommodation strategy to consider the best use of our administrative buildings. This review is linked to work to determine the most appropriate

service delivery models (e.g. shared services) and working practices (e.g. flexible and/or remote working) for the future.

Capital plan

The council's capital plan shows anticipated expenditure for the next 5 years, where relevant, for each programme or scheme.

Capital proposals

The majority of capital bids address the on-going renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (vehicles, building repairs, etc). All capital proposals are shown in detail in Appendix E (a) and the funding requirements in Appendix E (b). Approvals since the MTFS Oct 2016 are shown in Appendix E (c).

Following a review of the capital plan, it is recommended that the funding from a number of schemes is released and made available for new capital proposals:

Ref.	Scheme	Funding to release £000	Notes
35527 – PR010di	Riverside / Abbey Road junction	31	Scheme complete, release excess funding
39149 – PV532	Cambridge City 20mph zones	55	Scheme as designed complete, release excess funding
38168 – PR027	Bins - Parks	48	Major replacement complete, future maintenance to be funded from revenue
38174 – PR028	Bins - Streets	23	Major replacement complete, future maintenance to be funded from revenue
	Total	157	

Financing

Capital schemes are funded from a variety of internal and external funding sources. The use of certain funding types is restricted, for example developer and other contributions, grants, and earmarked and specific funds.

Internal:

- Earmarked and specific funds (e.g. R&R)
- Capital receipts
- NHB
- Revenue resources

External:

- Developer and other contributions
- Grants, National Lottery etc.
- Prudential borrowing

Capital funding Available	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Funding available and unapplied (MTFS Oct 2016)	(75)	(1,548)	(1,548)	(1,786)	(1,786)	(1,786)
Approvals since MTFS Oct 2016	75					
Schemes removed from capital plan (see above) and rephased into 2017/18 ¹	-	(157)	-	-	-	-
Capital bids requiring funding (gross) ¹	-	1,939	25	25	25	-
Rephase DRF (Reserves NCL3981)	-	(234)	234	-	-	-
Net Funding Available	-	-	(1,289)	(1,761)	(1,761)	(1,786)

¹ – The items in both these lines are combined into Appendix E (b)

The projections in the remainder of the BSR assume that all of the capital proposals are approved.

Future capital receipts

The council has a small portfolio of potential development land that could be sold to generate significant capital sums. This would provide land for commercial or housing development to meet the growth requirement within the city and funds for reinvestment. Alternatively, the council may choose to invest its resources in some of these sites, depending on the level of returns.

The current capital plan, updated for schemes removed and proposals for new schemes is shown in detail in Appendix E (d). The tables below summarise the capital plan and shows how it is funded.

Capital plan spending	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Programmes	22,232	3,573	300	-	-	-
Projects	9,826	3,036	61	25	25	-
Sub-total	32,058	6,609	361	25	25	-
Provisions	11,768	1,145	220	56	487	-
Total Spend	43,826	7,754	581	81	512	-
Capital plan funding						
Capital plan funding	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
External support						
Developer contributions	(7,847)	(343)	(121)	-	-	-
Other sources	(4,600)	(50)	(50)	-	-	-
Prudential Borrowing	-	-	-	-	-	-
Supplementary Credit Approvals (SCA)	-	-	-	-	-	-
Total - External support	(12,447)	(393)	(171)	-	-	-
City Council						
Developer contributions						
Direct Revenue Financing (DRF) - GF services	(944)	(315)				
Direct Revenue Financing (DRF) - Use of reserves	(3,599)	(2,264)	(1,564)	(1,786)	(1,786)	(1,786)
Earmarked reserves - Capital Contributions	(2,334)	(454)				
Earmarked reserve - Climate Change Fund	(429)	(300)	-	-	-	-
Earmarked reserve - Repair & Renewals Fund	(1,059)	(2,556)	(15)	-	-	-
Earmarked reserve - Technology Investment Fund	(2)	-	-	-	-	-
HRA Capital Balances	-	-	-	-	-	-
Internal borrowing - Temporary use of balances	(22,641)	(1,086)	(120)	(56)	(487)	-
Usable capital receipts	(371)	(386)	-	-	-	-
Total - City Council	(31,379)	(7,361)	(1,699)	(1,842)	(2,273)	-
Total funding	(43,788)	(7,754)	(1,870)	(1,842)	(2,273)	-
Net Funding Available	-	-	(1,289)	(1,761)	(1,761)	(1,786)

Projects under development (PUD)

The council maintains a list of projects which may come forward for funding in due course. These projects may be fully planned and ready for delivery, or require further feasibility work and outline project planning before they are ready to be included on the capital plan. When there is funding available, schemes that have been fully developed and costed will be considered for funding.

The PUD list, with an indication of the status of each project, shown in brackets [xxx], is included at Appendix E (e).

Section 8

Risks and reserves

Risks and their mitigation

Risks and sensitivities

The council is exposed to a number of risks and uncertainties which could affect its financial position and the deliverability of the proposed budget. These risks include:

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- Funding from central government (NHB and other grants) may fall below projections;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- The economic impact of the United Kingdom leaving the European Union may impact some of the council's income streams, such as car parking income, commercial rents and planning fee income;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2010, may significantly exceed the provision set aside for this purpose;
- The business rates revaluation, due to come into effect in April 2017 may reduce business rates receipts and increase the level of appeals;
- The impact of 100% business rates retention, coupled with any additional responsibilities handed down to the council at that time, may create a net pressure on resources;
- New legislation or changes to existing legislation may have budgetary impacts;
- Unforeseen capital expenditure, such as major repairs to offices and commercial properties, may be required;
- The implementation of proposals to tackle congestion in Cambridge may adversely impact car parking income and the delivery of services that rely on officers travelling around the city. The council may also become subject to a work place parking levy; and

- The council may not be able to replace time-limited funding for commitments to maintain open spaces associated with growth sites, or implement alternative arrangements for their maintenance.

The budget process addresses these risks by applying principles of prudence and sustainability throughout. The sensitivity of the budget to estimates and assumptions has been assessed and is presented in Appendix D.

Equality impact assessment

As a key element of considering the changes proposed in this BSR, an Equality impact assessment has been undertaken covering all of the Budget 2017/18 proposals. This is included in this report at Appendix G. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show that they have treated everyone fairly and without discrimination.

Section 25 Report

Section 25 (s. 25) of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) reports to the authority, when it is making the statutory calculations required to determine its council tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations, and
- The adequacy of the proposed levels of financial reserves.

This includes reporting and taking into account:

- the key assumptions in the proposed budget and to give a view on the robustness of those assumptions;
- the key risk areas in the budget and to assess the adequacy of the council's reserves when reviewing the potential financial impact of these risk areas on the finances of the council; and
- it should be accompanied by a reserves strategy

This report has to be considered and approved by full council as part of the budget approval and council tax setting process.

The majority of the material required to meet the requirements of the Act has been built into the key reports prepared throughout the corporate budget cycle, in particular:

- MTFS 2016

- The corporate plan and the budget reports to the January cycle of meetings.

This reflects the fact that the requirements of the Act incorporate issues that the council has, for many years, adopted as key principles in its financial strategy and planning; and which have therefore been incorporated in the key elements of the corporate decision-making cycle.

This also reflects the work in terms of risk assessment and management that is built into all of the key aspects of the council's work.

The Section 25 report will be included as Section 10 in the version of the BSR to be submitted to council.

General reserves

GF reserves are held as a buffer against crystallising risks, and to deal with timing issues and uneven cash flows. As such, the level of reserves required is dependent on the financial risks facing the council, which will vary over time. The prudent minimum balance (PMB) and target level of GF reserves were reviewed and amended in the MTFS. No further changes are recommended at this time.

GF reserves	£m
October 2016 MTFS / February 2017 BSR – Recommended levels	
- Target level	6.37
- Minimum level	5.31

The projected levels of reserves for the budget setting period, based on the proposals included in this report, and assuming that all net savings requirements are delivered, are as follows:

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Balance as at 1 April (b/fwd)	(16,012)	(10,194)	(7,880)	(7,591)	(8,549)	(8,263)
Contribution (to) / from reserves	5,817	2,314	289	(958)	286	352
Balance as at 31 March (c/fwd)	(10,194)	(7,880)	(7,591)	(8,549)	(8,263)	(7,911)

Section 9

Future strategy and recommendations

Future issues and prospects

The impact of a number of uncertainties and challenges outlined below are likely to become clearer in the early part of 2017/18. The new or developing issues and projects which are not clear at the time of agreeing this BSR include:-

- **New Homes Bonus (NHB)** – certain elements of the 2016 consultation on the future of this funding stream have yet to be finalised. Additionally the implementation of a deadweight factor which can be adjusted by the government year by year increases the level of uncertainty surrounding any projections of NHB income.
- **100% business rates retention** – it is still unclear how this policy will be implemented, and therefore its impact on the council finances cannot be assessed at this point.
- **Delivery of planned savings** – the council has delivered significant savings in previous years. As a result, current and future savings are more difficult to deliver and the council is undertaking a complex, cross-cutting programme of change, both on its own and with partners to achieve them. This represents a considerable challenge for the organisation.
- **Financial pressures on other partners** - as other agencies come under spending pressure there may be direct impacts on services which are currently funded by them or in partnership with them. The County council is facing significant cuts over coming years and the Cambridgeshire and Peterborough health economy continues to be under stress. Even where there are not direct cuts to city council funding there are likely to be indirect impacts on our community based services.
- **Devolution** – following agreement of Phase 1 of the Cambridgeshire and Peterborough devolution deal, the council continues to explore further opportunities

(Phase 2) for the devolution of government powers and spending with local partners. This could provide new opportunities to deliver services in different ways.

- **Welfare reform** – the government's plans to reform the country's system of welfare payments continue to have implications for the Council not least the introduction of Universal Credit. The timing of the handover of services is expected to start in May 2018. The government has made clear its expectation that staff will not TUPE across to the Department for work and pensions and so the council will need to run down the service as elements transfer across.
- **Changes to housing policy** - the significant impact recent changes to government policy is having on the HRA will require significant in housing related savings funded by the HRA. They will also have a knock on impact on support services funded through the HRA and other housing related services funded by the GF.

Future savings strategy

Our efficiency plan

The council submitted its efficiency plan to government in October and the Minister for Local Government, Marcus Jones, wrote to the council in November confirming that this efficiency plan will be rewarded by a multi-year financial settlement. This means the council can now expect at least the minimum stated allocation of business rates and revenue support grant up to 2019-20. In return the council will continue its ambitious programme of service transformation.

The programme laid out in the efficiency plan tackles the need to deliver good services with fewer resources through five complementary strands of activity:

- Transforming the way the council delivers services by focusing on what's important to service users and delivering that well, sharing services with neighbouring councils where possible to reduce costs and to create stronger and more resilient teams.
- Reducing the number of council offices and reusing other assets.
- Developing new council businesses and ensuring all services think commercially and explore income generating opportunities.
- Investing money wisely so it does not sit in bank accounts earning very little but works to generate a better return for council tax payers.

- Challenging the council's capital programme to reduce capital commitments and ensuring those schemes that do go ahead are well planned and delivered in a timely way.

Underpinning all of this is a commitment to targeting scarce resources to help people who need help and to meet the needs of most vulnerable.

Delivery of our transformation programme in 2017

Transforming the way the council delivers services by focusing on what's important to service users and delivering that well, sharing services with neighbouring councils where possible to reduce costs and to create stronger and more resilient teams

We will continue to pursue plans to share services with other councils focusing particularly on the opportunities for sharing further services, including planning and finance, with South Cambridgeshire Council during 2017/8. We will look at the opportunities to develop our digital agenda in partnership with other councils and the opportunities for reforming public services as a result of devolution. We will also continue to look at the services we already share to identify whether further efficiencies can be generated. Our programme of systematic service reviews will continue the next phase focusing on streets and open spaces, community centres and our ICT contract.

Reducing the number of council offices and re-using other assets

We will continue with the implementation of our office and accommodation strategy which will see Mill Road depot freed up for the development of housing and the sale of Hobson House on St Andrews Street. We will also begin the redevelopment of Park Street car park.

Developing new council businesses and ensuring all services think commercially and explore income generating opportunities

We will consolidate our new vehicle maintenance garage and fleet operation at Waterbeach and continue to identify further opportunities for more commercial approaches to our services.

Investing money wisely so it does not sit in bank accounts earning very little but works to generate a better return for council tax payers

In total £50 million in underused financial reserves has been freed up since 2014 to secure more commercial property assets, and to invest in housing via Cambridge City Housing Ltd, generating income for reinvestment while addressing affordable housing need.

Challenging the council's capital programme to reduce capital commitments

We have reviewed all projects the council's capital programme, and the methodology for approving and delivering capital commitments. As a result we have cut out avoidable and poorly specified capital projects and also reduced the requirement to raise revenue to fund the capital programme.

Conclusions

This report presents a balanced budget for 2017/18 and a continuing strategy to maintain the council on a firm financial footing in the medium-term. However, significant financial challenges and uncertainties remain.

The overall budget and medium term financial strategy are not without risk, as they rely on the successful delivery of a challenging programme of transformational projects, some of which rely on collaborative working with partners. They are also dependent on increasing levels of income which could be adversely impacted by local or national economic factors, such as Brexit. The council actively manages the level of its reserves to give some protection against these risks.

Increasingly, the financial health of the council and hence its ability to deliver services to local residents and visitors to the city will be under the council's control. The key will be to balance policy-driven spending with commercialism, and prudent management with well-considered risk-taking for reward.

Section 10

Section 25 Report

Section 25 of the Local Government Act 2003 requires the Council's S151 officer to report to the council when it is considering its budget requirement and consequent council tax. The report must deal with the robustness of the estimates made for the purposes of the calculations and the adequacy of the reserves allowed for in the budget proposals.

The rationale is to ensure that the estimates are sufficient to cover regular recurring costs plus any reasonable risks and uncertainties and, in the event of unexpected expenditure, there are adequate reserves to draw on. The calculations relate to the budget for the forthcoming year and the legal requirement may, therefore, be interpreted as reporting only on the 2017/18 estimates and reserves up to 31 March 2018.

Robustness of estimates

The council has well established and robust budget processes. These have been followed when compiling the 2017/18 budget and medium term projections.

Estimates and assumptions were reviewed during the preparation of the MFR in October 2016, and confirmed during the development of this BSR. Appendix D reviews these estimates and assumptions and indicates the sensitivity of each in financial terms.

The key driving factor through the process has been the requirement to identify savings to address projected decreases in core funding. The savings requirement has been addressed in two principal ways:-

- By continuing the ambitious transformation programme, sharing services with other local councils and working to reduce the number of council buildings ; and
- Using cash balances and earmarked reserves released to generate additional income.

These actions require substantial change to be delivered within the organisation to demanding timescales and in a controlled way. The transformation programme includes savings resulting from sharing services with other local authorities and the creation of

alternative service delivery vehicles. There are, therefore, significant levels of risk around the estimation of potential income and savings and the timing of their delivery. These risks are mitigated, to a certain extent, by management review and challenge of the proposals, regular budget monitoring and management, and the implementation of governance processes for the transformation programme.

Adequacy of reserves

The requirement for financial reserves is acknowledged in statute. Section 32 of the Local Government Finance Act 1992 requires billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

It is the responsibility of the S151 officer to advise local authorities on the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

The council holds two types of general fund reserves:

- The general fund is a working balance to cushion the impact of uneven cash flows. The reserve also acts as a contingency that can be used in year if there are unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or within the council's control. The reserve also provides cover for grant and income risk.
- Earmarked reserves are set aside for specific and designated purposes or to meet known or predicted liabilities, e.g. insurance claims.

Earmarked reserves remain legally part of the general fund, although they are accounted for separately.

A key mitigation for financial risk is the S151 officer's estimate of a prudent level of reserves. A risk assessment was undertaken in MFR 2016 to determine the level of non-earmarked general reserves required by the council. Section 8 of this report recommends no changes to the assessment at this time. In making the recommendation for the level of reserves, the S151 officer has followed guidance in the CIPFA LAAP Bulletin 77 – Guidance notes on Local Authorities Reserves and Balances. The risk analysis shows that a prudent minimum level of reserves for 2017/18 will be of the order of £5.3m.

The final table in Section 8 shows that the anticipated level of the general fund reserves will remain above the prudent minimum level for the duration of the medium term planning period.

I therefore consider that the estimates for the financial year 2017/18 to be sufficiently robust and the financial reserves up to 31 March 2018 to be adequate.

Caroline Ryba

Head of Finance and S151 Officer

Cambridge City Council Corporate Plan 2016-19 (revised November 2016)

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
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 23 One Cambridge for All</p>	<p>Delivering sustainable prosperity for Cambridge and fair shares for all</p>	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.	<ul style="list-style-type: none"> • People on low incomes are helped to maximise their income and minimise their costs 	<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 	<p>Richard Johnson Kevin Blencowe Richard Robertson</p>	<p>Antoinette Jackson Suzanne McBride Liz Bisset, Stephen Kelly Andrew Limb, David Kidston, Alison Cole</p>
		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.	<ul style="list-style-type: none"> • Impact of welfare reform on local people is mitigated including housing and homelessness assistance, debt advice, digital and financial inclusion. 	<ul style="list-style-type: none"> • Council Tax in-year collection rates 		
		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.	<ul style="list-style-type: none"> • Existing and new communities are connected, sustainable and thriving and have the facilities they need. 	<ul style="list-style-type: none"> • Benefit speed of processing 		
		iv. Review community-based activity and facilities, and work in partnership, to ensure that services support those in greatest need.	<ul style="list-style-type: none"> • New shared community facilities and services (hub projects) are developed and delivered with our partners. 	<ul style="list-style-type: none"> • Housing rent collection rates 		
		v. Ensure through the planning process that new developments include community and other facilities that make them high quality places to live.	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 		
		vi. Work with partners to secure devolution of powers and funding from central Government, and expand joint delivery of public services.	<ul style="list-style-type: none"> • More residents are confident and able to access online services that improve their quality of life. 	<ul style="list-style-type: none"> • Number of visits to community centres from priority groups 		
		vii. Work in partnership with the new destination management organisation for Cambridge and the surrounding area to	<ul style="list-style-type: none"> • Reduced fuel poverty 	<ul style="list-style-type: none"> • Percentage of households in Cambridge experiencing fuel poverty 		

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
		<p>maximise the economic benefits from tourism to the city.</p> <p>viii. Work with digitally excluded tenants and residents to enable them to access online services that improve their life chances.</p> <p>ix. Continue to support vital citywide and local advice and support services for those most in need, provided by the Citizens Advice Bureau (CAB), our skilled council advisers and others. We will carefully target investments from our <i>Sharing Prosperity Fund</i>, and investigate expanding CAB outreach workers to other surgeries in communities of high need</p>				
	<p>Tackling the city's housing crisis and delivering our planning objectives</p>	<p>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.</p> <p>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:</p> <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. <p>iii. Continue to provide council housing, focusing on those most in housing need.</p> <p>iv. Provide housing advice to reduce, and help prevent, homelessness by offering early advice on alternative housing options.</p> <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>	<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. • 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"> • Total number of housing completions • Number of Affordable Housing completions • Number of new homes completed on City Council land • Planning application performance targets • Local Plan delivery timetable • Number of families helped to prevent homelessness • Awards for the quality of new developments 	<p>Kevin Price</p> <p>Kevin Blencowe</p>	<p>Suzanne McBride</p> <p>Liz Bisset</p> <p>Stephen Kelly</p> <p>Alan Carter</p> <p>Tom Bremner,</p> <p>Trevor Burdon</p> <p>James Elms</p>

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
Cambridge – a great place to live, learn & work		vii. Seek to secure target of 40% affordable housing in new developments through the planning application process. 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. ix. Ensure planning applications are dealt with within target timescales and resources. x. Develop further the Cambridge City Housing Company xi. Work with our partners in the City Deal through the shared Housing Development Agency to deliver additional affordable homes for market sale and rent on sites in and close to Cambridge. xii. Seek ways to continue building new City Council homes xiii. Work with our statutory and voluntary sector partners to reduce street-based homelessness.				
	Making Cambridge safer and more inclusive	i. Work to make the city a safer, more inclusive and welcoming place by promoting equality and diversity advice and events. 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. 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. iv. Fund overnight street lighting across Cambridge that would otherwise have been lost, to reduce the risk of crime, reduce the fear of crime, and contribute to the wider safety of people travelling during the night or starting their journeys early	<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	Suzanne McBride Liz Bisset, Debbie Kaye, Joel Carre

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
		<p>morning.</p> <ul style="list-style-type: none"> v. Upgrade CCTV, including relocatable CCTV, to continue its vital contribution to making Cambridge safer. We will target areas of the city which experience most crime or anti-social behaviour. vi. Follow up the consultation on the proposed Public Spaces Protection Order to achieve effective measures to tackle anti-social behaviour from punt touts. vii. Implement the Mental Health Concordat in partnership with other organisations, refocusing council service delivery on the needs of residents experiencing mental health issues. viii. Continue to prioritise the prevention of domestic violence and sexual exploitation, in line with the city's White Ribbon status. . We will work with partner organisations to achieve this. ix. Continue to rehome homeless Syrian refugees, working with the Home Office and the network of East region councils. Work with Cambridge partner organisations, including the Cambridge Ethnic Community Forum and Cambridge Refugee Resettlement Campaign, and complete a survey of refugee and asylum seeker numbers and needs in Cambridge. x. Review the Council's approach to public engagement in formal council meetings and decision-making. xi. Review the role of people under eighteen in decision making and having a say on the delivery of council services that affect them. 				
	Investing in improving transport	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> • A growing city with extra housing and jobs is supported by more sustainable and balanced transport choices, leading to reduced congestion, better quality of life (including reduced 	<ul style="list-style-type: none"> • Numbers walking, cycling or using public transport to get to work • Numbers using Council car parks • Average journey & 	<p>Lewis Herbert</p> <p>Kevin Blencowe</p>	<p>Antoinette Jackson,</p> <p>Stephen Kelly,</p>

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
		<p>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> <p>iv. Continue to deliver improved cycle routes, including the Chisholm Trail, other cross-city cycling initiatives and related cycling improvements.</p> <p>v. Work with the County Council, Network Rail and private sector partners on proposals for an Addenbrooke's Rail Station and for the May 2017 opening of Cambridge North station. These projects also require integration with improved bus and cycle options. We will also work to improve Cambridge rail station and to secure wider additional investments in the rail network benefitting Cambridge and Cambridgeshire.</p>	<p>noise and pollution from traffic, and quality public realm) as well as experiencing enhanced economic growth.</p> <ul style="list-style-type: none"> 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. 	<p>commute times</p> <ul style="list-style-type: none"> City Deal projects delivery programme – "on-track and on-budget" 		<p>Joel Carre</p> <p>James Elms</p>
	<p>Protecting our city's unique quality of life</p>	<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 and diversity of residents in the arts and cultural life of Cambridge.</p> <p>iii. Provide funding and targeted advice to voluntary organisations, prioritising projects that tackle inequality.</p> <p>iv. Deliver capital projects that will enhance community infrastructure and quality of life</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 	<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 	<p>Kevin Blencowe</p> <p>Anna Smith</p> <p>Richard Johnson</p> <p>Peter Roberts</p>	<p>Suzanne McBride</p> <p>Stephen Kelly,</p> <p>Joel Carre,</p> <p>Debbie Kaye</p>

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
		<p>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> <p>x. Implement the Council's new tree strategy and existing Council initiatives for improving tree numbers and quality, including increased promotion of the council's Trees for Babies scheme. We will seek clarity and partnership working from the County Council in order to retain and improve roadside tree provision.</p>	<p>community infrastructure.</p> <ul style="list-style-type: none"> • More maintenance and management of open spaces and facilities is carried out by volunteers and community groups. 			
	Protecting essential services and transforming council delivery	<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 flexibly with good work/life balance. • New and improved revenue 	<ul style="list-style-type: none"> • Operational property costs/space per capita • Staff satisfaction with tools they need (accommodation, ICT and other support) to do their jobs efficiently, achieve better work/life balance 	<p>Lewis Herbert</p> <p>Richard Robertson</p> <p>Peter Roberts</p> <p>Anna Smith</p>	<p>Antoinette Jackson</p> <p>David Edwards</p> <p>Suzanne McBride</p>

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
		<ul style="list-style-type: none"> iv. Review existing, and explore new, opportunities for shared services. v. Review current commercial activities and skills and invest in further developing them. 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. vii. Establish a new operational depot for Streets & Open Spaces and Estates & Facilities. viii. Achieve service improvements and efficiencies by carrying out a comprehensive service review of Streets and Open Spaces. 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. x. Explore joined up working with neighbouring councils to deliver better services and results for Cambridge residents and businesses and deliver greater efficiencies. xi. Seek to protect residents' services despite the expected loss of 100% of the Council's core grant by 2020. We will develop and implement our 'Plan for 2020', a four year plan linked to obtaining funding certainty from the Government. xii. Support the case for Cambridgeshire and Peterborough to jointly manage all the business rates generated in the county to tackle inequality across the county, and address the infrastructure and affordable housing deficit which is a risk to sustainable growth. xiii. Press Government to retain the New Homes Bonus because providing additional new housing depletes council finances and the 	<p>streams from commercial and activities, including new models of bereavement care & CCTV services.</p> <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Total income from commercial property • Net revenue savings [as <i>per transformation business cases</i>] 		<p>Dave Prinsep</p> <p>Jonathan James</p>

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
		<p>New Homes Bonus offers some compensation for these extra costs, ensuring that future growth is sustainable.</p> <p>xiv. We will seek the best devolution settlement with Government, in partnership with other Cambridgeshire councils, the Greater Cambridge Greater Peterborough Enterprise Partnership and others.</p> <p>xv. Explore opportunities to develop further the Council's investment strategy in property, housing, energy efficiency and renewable energy projects.</p> <p>xvi. Establish a new, commercially successful garage and fleet maintenance operation at Waterbeach, co-located with the shared waste and recycling service.</p>				

Aims	Objectives	What we will do to achieve these objectives	What success will look like	Key Performance Indicators	Lead Portfolio Holders	Lead officers
	Tackling climate change, and making Cambridge cleaner and greener	<ul style="list-style-type: none"> i. Implement the actions in our Climate Change Strategy, reducing emissions from our own estate and our property portfolio. 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. 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. iv. Work with local residents and businesses with the aim of increasing waste recycling rates and reduce total waste generated per capita. v. Provide high quality Green Infrastructure (GI) that enhances residents' quality of life. vi. Ensure that new developments meet the council's policies for sustainable construction and energy and water efficiency. vii. Ensure that new developments provide the open space and recreational facilities that residents need. viii. Implement and develop the shared waste service with South Cambridgeshire DC. 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. x. Review and improve cleanliness of streets and public open spaces and provide greater opportunities for the public to influence decisions on cleansing and enforcement in order to target Cambridge's most challenging locations. xi. Work with the police to identify the small number of people responsible for repeat graffiti around the city, and tackle this costly anti-social behaviour. 	<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 	<p>Peter Roberts</p> <p>Richard Robertson</p> <p>Anna Smith</p> <p>Kevin Blencowe</p>	<p>Andrew Limb</p> <p>David Kidston</p> <p>Suzanne McBride</p> <p>Stephen Kelly</p> <p>Joel Carre</p> <p>Yvonne O'Donnell</p>

Executive Councillors: Leader & Executive Councillor for Strategy & Transformation
Executive Councillor for Streets & Open Spaces
Executive Councillor for Finance & Resources
Executive Councillor for Planning & Transport
Deputy Leader & Executive Councillor for Housing
Executive Councillor for Environmental Services & City Centre
Executive Councillor for Communities

Councillor Lewis Herbert
Councillor Anna Smith
Councillor Richard Robertson
Councillor Kevin Blencowe
Councillor Kevin Price
Councillor Peter Roberts
Councillor Richard Johnson

Details of [Senior Council Officers](#)

Appendix B(a)

Calculation of Council Tax Base 2017/18

	Council Tax Bands									
	A entitled to disabled relief reduction	A	B	C	D	E	F	G	H	Total
Dwellings on the valuation list		4,123	10,007	18,926	9,583	5,503	3,531	3,033	478	55,184
Dwellings treated as exempt		(722)	(540)	(976)	(739)	(443)	(255)	(389)	(167)	(4,231)
Adjustments for disabled relief (i.e. reduced by one band)		(1)	(15)	(43)	(29)	(17)	(8)	(12)	(2)	(127)
	1	15	43	29	17	8	12	2	0	127
Total chargeable dwellings	1	3,415	9,495	17,936	8,832	5,051	3,280	2,634	309	50,953
Number of dwellings included in the totals above:										
Where there is a liability to pay 100% council tax	0	1,644	4,465	12,327	6,375	3,839	2,605	2,211	266	33,732
That are assumed to be subject to a discount or premium	1	1,771	5,030	5,609	2,457	1,212	675	423	43	17,221
Dwelling Equivalents:										
Number of dwelling equivalents after applying discounts and premiums to calculate taxbase	0.8	2,955.8	8,214.0	16,494.5	8,198.8	4,741.0	3,106.3	2,521.5	295.8	46,528.3
Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
Band D equivalents	0.4	1,970.5	6,388.7	14,661.8	8,198.8	5,794.6	4,486.8	4,202.5	591.5	46,295.6
Band D equivalent contributions for Government properties										1.0
Allowance for Council Tax Support										(4,111.8)
Tax base after allowance for Council Tax Support										42,184.8
	Add		Estimated net growth in tax base							843
	Less		Adjustment for student exemptions							(497.7)
	Less		Assumed loss on collection at 1.3%							(552.9)
Total Band D Equivalents – Tax base for Council Tax and Precept Setting Purposes										41,977.2

Appendix B (b) (precepts to follow)

Council Tax Setting 2017/18

1. The Council calculated its Council Tax Base 2017/18 for the whole Council area as **41,977.2** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2017/18 is **£7,839,240**
3. That the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Act:

- | | | |
|-----|---------------------|--|
| (a) | £188,111,270 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act |
| (b) | £180,272,030 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act |
| (c) | £7,839,240 | being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act] |
| (d) | £186.75 | being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. |

4. To note that Cambridgeshire County Council, the Cambridgeshire Police and Crime Commissioner and Cambridgeshire & Peterborough Fire Authority will be issuing precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings in the Council's area and the table below will be updated accordingly.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2017/18 for each of the categories of dwellings in the Council's area.

Dwelling Band	City Council £	County Council £	Police and Crime Commissioner £	Fire & Rescue Authority £	Aggregate Council Tax £
A	124.50				
B	145.25				
C	166.00				
D	186.75				
E	228.25				
F	269.75				
G	311.25				
H	373.50				

----- To follow -----

6. The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2017/18 is not excessive.

Preface to Appendix C

A Local Poverty Rating Index to assist in assessing Budget Proposals 2017/18

To assist members in assessing the impacts of budget proposals on low income groups of people in the City a local poverty rating composite index ("the Index") has been developed and has been applied for this year's budget proposals for 2017/18 (a revised version of the methodology that was used in last year's process). The impact classifications are shown in the table below:

Impact classification	Assessment
High impact	The bid is a good fit with the areas of focus in the council's Anti-Poverty Strategy and targets people on low incomes that are experiencing pressing and urgent problems that will affect their ability to meet their basic needs, such as housing, food, warmth and security in the short-term.
Medium impact	The bid touches on or is outside the areas of focus in the council's Anti-Poverty Strategy but will deliver improvements to people and families living on low incomes in the short to medium-term.
Low impact	The bid is outside the areas of focus in the council's Anti-Poverty Strategy but will deliver improvements to people and families, including those living on a low income.
No impact	The level of service to low income people and families will not change.
Negative impact	The bid is likely to reduce or restrict access to services by people or families living on a low income.

The council's full [Anti-Poverty Strategy](#) shows the [objectives and areas of focus](#) for the Cambridge Anti-Poverty Strategy.

2017/18 Budget - GF - Pressures

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Communities

B3996	Improving representation of the views of local young people	0	10,000	0	0	0	Debbie Kaye	Nil
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The purpose of this bid is to explore options with young people aged 12-15 to further their influence on Medi Council decisions. At this stage a specific outcome, process or structure is not being recommended, but a commitment is being made to finding practical and inclusive ways for the voices of young people to be heard at ward and City level. Targeting 12-15 year-olds enables a link to be made with the existing 9-12 year-olds targeted by the Agenda Days project, and there is also an opportunity to complement citizenship education under the National Curriculum.

The process of exploring options is estimated at £10,000. This will pay for project leaders' time and resources in facilitating discussion and events with young people. Once preferred options are arrived at, discussion will be held more broadly with stakeholders to ensure all factors are considered. The aim is to formalise results from this work in the autumn and bring forward a budget bid to support a proposal then.

Total Bids in Communities

0	10,000	0	0	0
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Environmental Services & City Centre

B3906	Air Quality Project Support Officer (Scientific Officer - 50% FTE 2 years)	0	25,000	25,000	0	0	Jo Dicks	+M
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Current corporate air quality commitments on Low Emission Taxis, Electric Vehicle Charging Infrastructure, City Deal and Quality Bus Partnership represent substantial ongoing work streams for the Environmental Health service. Air quality staffing resource is under pressure due to a sustained increase in growth related planning consultations. This means that the dedicated Air Quality technical resource of 0.7FTE is unable to support the aforementioned corporate air quality commitments. In response, the proposal is to increase Air Quality staff capacity by 0.5 FTE for two years to provide the capacity to deliver on these commitments. At current staffing levels there is a risk that the corporate aim to reduce emissions and significantly improve the city's air quality will be compromised.

Total Bids in Environmental Services & City Centre

0	25,000	25,000	0	0
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Finance & Resources

B3931	Expanded Property Services capacity	0	57,000	57,000	57,000	57,000	Dave Prinsep	Nil
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Additional staff to manage the planned commercial property acquisitions, the general fund development programme, the Housing Company and Investment Partnership. This proposal is linked to the commercial property acquisition capital bid in the Medium-Term Financial Strategy and the Commercial Property Acquisition Additional Income 'Increased Income' proposal. (Linked to proposal I13897).

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

B3940	Office Accommodation Strategy Phase III Feasibility Funding	0	100,000	0	0	0	Dave Prinsep	Nil
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The Office Accommodation Strategy approved at Strategy & Resources Scrutiny Committee (S&R) on 18/1/16 set out proposals for Phase III. Phase III will require feasibility funding to investigate and report on the options ahead of reporting deadlines. This is expected to include market valuations, architectural and quantity surveying support to cost options, planning advice, smart working requirements/support, and legal fees to advise on title and procurement issues. The business case for a preferred option is proposed to be reported for decision and funding by April 2018 supported by a project appraisal and funding issues reported to S&R in August 2017. None

B3977	Further contribution to the Sharing Prosperity Fund	0	100,000	0	0	0	David Kidston	Nil
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This makes a further contribution to the Sharing Prosperity Fund supplementing those made in July 2014, February 2015, February 2016 and October 2016. The funding would support the delivery of new and expanded projects which will contribute to the delivery of the objectives of the Anti-Poverty Strategy, including the extension and expansion of successful pilot projects, or new projects to meet identified needs for low income residents. Potential projects include: work to promote financial literacy and inclusion; further work to address fuel and water poverty; continued support for volunteering; and projects to improve the mental and physical health of residents on low incomes. High

Total Bids in Finance & Resources	0	257,000	57,000	57,000	57,000
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Housing - General Fund

B3864	Reallocation of Anti-Social Behaviour (ASB) costs from the Housing Revenue Account to the General Fund	0	59,800	0	0	0	Lynda Kilkelly	Nil
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This results from the Housing Revenue Account (HRA) review of how the workload of the Anti-Social Behaviour (ASB) team is distributed between HRA and non-HRA workload and identified that a significant amount of ASB work does not relate to housing cases. Much of this work relates to areas of the city other than housing estates. A review of workload shows that this work must be funded by the General Fund rather than the HRA if it is to continue. This is a one-year only bid initially to allow a full review of the ASB service, to identify future work levels and priorities for the Council. Medium

B3866	Recruitment of a Trainee Development Officer in the Housing Development Agency (HAD)	0	32,900	32,900	32,900	32,900	Sabrina Walston	Nil
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This bid is to continue to grow the capacity of the Housing Development Agency to meet its objectives of delivery of 250 new homes a year. The bid can be contained within the Housing Development Agency business case. (linked to proposal I13865). None

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

B3871	Continuation of Town Hall Lettings Service	0	24,100	24,100	24,100	24,100	David Greening	Nil
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Following consideration of a report and business case at Housing Scrutiny Committee in September 2016, this bid will allow the Town Hall Lettings Service as supported by the committee to continue. Town Hall Lettings supports the Council's wider homelessness strategy and, in alleviating homelessness, places the Council in a good position to meet the requirements of the Homelessness Reduction Bill, which is expected to complete its passage through Parliament next year. It plays a role in delivering more affordable housing in the intermediate market in Cambridge and supports the Council's efforts to occupy empty homes in the city.

Total Bids in Housing - General Fund

0	116,800	57,000	57,000	57,000
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Strategy & Transformation

B3927	Additional funding to the Council's Climate Change Fund	0	250,000	0	0	0	David Kidston	+H
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An additional allocation to the Council's Climate Change Fund to support carbon reduction projects to be delivered in 2017/18, including a range of energy saving measures at the Guildhall (potential projects include solar photo-voltaics, LED lighting, a Combined Heat and Power system and a Building and Energy Management system)

[For details on investments see C3934]

B3988	Street lighting contribution	0	10,000	10,000	10,000	10,000	Lynda Kilkelly	-L
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This bid is to allow the city centre, historic core and residential areas to be lit to 80% between 10pm and 2.00 am and at 60% until dawn. The County Council restored funding in December 2016 for overnight lighting (see S3939), but not to lighting levels considered bright enough for Cambridge's needs as a city.

Total Bids in Strategy & Transformation

0	260,000	10,000	10,000	10,000
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Total Bids

0	668,800	149,000	124,000	124,000
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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Reduced Income

Finance & Resources

RI3942	Review of Moorings Fees and Charges	0	35,000	35,000	35,000	35,000	Alistair Wilson	Nil
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This proposal relates to an approved budget proposal from 2015/16, which identified an annual increase in revenue income from the moorings service of £17,500 in 2016/17 and £35,000 in 2017/18. The proposed budget adjustment removes the anticipated annual increase in income from moorings of £35,000 from 2017/18, in light of the Council's decision that any changes to mooring fees and charges will be dependent on the outcome of the moorings policy consultation. None

Total Reduced Income in Finance & Resources

0	35,000	35,000	35,000	35,000
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Planning Policy & Transport

RI3913	Reduction in income due to Park Street car park redevelopment	0	214,000	0	0	0	Sean Cleary	Nil
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A provision was made in the 2016/17 budget for reduction in income due to Park Street car park redevelopment (ref RI3822). As a result of a one year delay on the project timetable this was revised in October 2016. However, with a now earlier start anticipated this item reflects additional provision for the advanced impact for the period February/March 2018. The impact for 2018/19 onwards will be reviewed in October 2017 to take into account the detailed redevelopment plan and timings. None

Total Reduced Income in Planning Policy & Transport

0	214,000	0	0	0
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Streets & Open Spaces

RI3979	Review of Public Toilet Income	0	17,000	17,000	17,000	17,000	Alistair Wilson	Nil
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This proposal reflects the need to amend the public toilet budget income target. To date, budget income targets have been increased each year in line with Retail Price Index (along with other Council service income targets), yet the toilet door charge has remained at 20p and levels of usage have not increased. As a result, each year, the service has reported a budget outturn shortfall which this change corrects. None

Total Reduced Income in Streets & Open Spaces

0	17,000	17,000	17,000	17,000
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Total Reduced Income

0	266,000	52,000	52,000	52,000
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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Unavoidable Revenue Pressure

Strategy & Transformation

URP3900	Changes to the calculation of holiday pay for employees	0	46,900	46,900	46,900	46,900	Deborah Simpson	Nil
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Following changes to the way in which holiday pay should be calculated to include overtime, allowances and commission in addition to basic pay, the increased cost of amending the holiday pay calculation (based on 2015/16 costs) is estimated as an overall total of £70,000 of which £23,100 relates to the HRA. Low

URP3972	Increase in Business Rates costs resulting from 2017 Rating Revaluation	0	266,000	266,000	266,000	266,000	Dave Prinsep	Nil
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Projected increase in business rates costs for Cambridge City Council's property portfolio as a result of the 2017 Rating Revaluation. None

Total Unavoidable Revenue Pressure in Strategy & Transformation

0	312,900	312,900	312,900	312,900
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Total Unavoidable Revenue Pressure

0	312,900	312,900	312,900	312,900
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Report Total

0	1,247,700	513,900	488,900	488,900
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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Increased Income

Environmental Services & City Centre

113905	Income from general and Sunday market re-categorisation of pitches and revision of terms of trading.	0	(30,000)	(30,000)	(30,000)	(30,000)	Daniel Ritchie	Nil
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This increased income arises from the changes in fees and charges approved last year on 17 March 2016 at the Community Services Scrutiny Committee. These changes came into effect on 1 May 2016 and so the associated net income increase was not able to be included in the approved budget plan for 2016/17. None

Total Increased Income in Environmental Services & City Centre

0	(30,000)	(30,000)	(30,000)	(30,000)
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Finance & Resources

113862	Increase in benefit overpayments recovered	0	(50,000)	(50,000)	0	0	Naomi Armstrong	Nil
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Projected increase in repayments of housing benefit overpayments from claimants that are no longer claiming benefit (and who now have the means to make the repayments), who either gave the Council wrong information or could have known that they were being overpaid, or who didn't report a change in their circumstances. This proposal reflects recovery levels already being experienced but refers to 2017/18 and 2018/19 only, as it is felt unlikely that, with improved data on claimants' means, further new cases of recovery will occur, and also the introduction of Universal Credit will significantly reduce the amount of housing benefit being paid out. None

113896	Commercial Property Additional Income	0	(110,000)	(110,000)	(110,000)	(110,000)	Dave Prinsep	Nil
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Forecast additional net income reflecting expected rent reviews, lease renewals and lettings on the existing property portfolio. None

113897	Commercial Property Acquisition Additional Income	0	(125,000)	(500,000)	(500,000)	(500,000)	Dave Prinsep	Nil
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Projected income generated from the further commercial property acquisition funding allocation of £20m in the Medium-Term Financial Strategy. Assumes 5.5% return on price after acquisition costs but adjusted for Minimum Revenue Provision based on 40 year asset life. Likely to be 2 to 6 lots acquired and assumes some income from January 2018 with full income from April 2018. (Linked to proposal B3931). None

113916	Guildhall Letting - One-off Additional Rental Income	0	(50,000)	0	0	0	Trevor Burdon	Nil
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One-off additional rental income in respect of the 2017/18 financial year resulting from the rent commencement date for a new letting being earlier than originally estimated. None

2017/18 Budget - GF - Savings

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Increased Income

113971	Increased income from further investment in Local Authority Property Fund (General Fund share)	0	(80,000)	(80,000)	(80,000)	(80,000)	Charity Main	Nil
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Council approved a change to our Treasury Management Strategy in October 2016 which permits a further £5m to be invested in the CCLA Local Authority Property Fund. This will generate additional investment income above our base forecast. None

Total Increased Income in Finance & Resources	0	(415,000)	(740,000)	(690,000)	(690,000)			
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Housing - General Fund

113865	Additional fee income for the Housing Development Agency	0	(32,900)	(32,900)	(32,900)	(32,900)	Sabrina Walston	Nil
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This increase in fee income will be generated by virtue of increased staffing capacity in the Housing Development Agency. None
(Linked to proposal B3866).

Total Increased Income in Housing - General Fund	0	(32,900)	(32,900)	(32,900)	(32,900)			
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Total Increased Income	0	(477,900)	(802,900)	(752,900)	(752,900)			
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2017/18 Budget - GF - Savings

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Programme

Strategy & Transformation

PROG3908	Additional funding for Business Transformation Programme	0	154,000	269,000	0	0	Paul Boucher	Nil
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The Council has previously allocated significant funding for a complex council-wide programme of None transformational change, including shared services and initial work developing a new council Digital Strategy. This additional funding will enable further Business Transformation Programme projects to be delivered over the next two years. The bid will provide for the additional change resources required to deliver future projects and other staffing costs associated with the programme.

Total Programme in Strategy & Transformation

0	154,000	269,000	0	0
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Total Programme

0	154,000	269,000	0	0
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2017/18 Budget - GF - Savings

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Environmental Services & City Centre

S3969	Shared Waste Service	0	(150,000)	(150,000)	(150,000)	(150,000)	Suzanne McBride	-L
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Further efficiencies have been identified as a result of the sharing of the waste and recycling service with None South Cambridgeshire District Council. It is expected to include a further rerouting of rounds and a more efficient shared commercial waste service will result in on ongoing £150k annual saving.

Total Savings in Environmental Services & City Centre

0	(150,000)	(150,000)	(150,000)	(150,000)
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Finance & Resources

S3907	Customer Service Transformation	0	(25,000)	(25,000)	(25,000)	(25,000)	Clarissa Norman	Nil
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This is a further phase in our work to modernise and improve our handling of telephone calls. New phones and an automated switchboard have already been implemented and have led to improved levels of answering incoming calls. It is now planned to introduce a call triage system which will further improve call answering and also result in some cost savings. Call triage will apply to Waste and Streets service issues initially but there will be further phases to roll this out to other services at a later stage. Low

Total Savings in Finance & Resources

0	(25,000)	(25,000)	(25,000)	(25,000)
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Housing - General Fund

S3867	Reduction in costs for Housing Options, Homelessness and Choice Based Lettings	0	(12,900)	(12,900)	(12,900)	(12,900)	David Greening	Nil
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A combination of a review of operational budgets in Housing Advice and Homelessness, coupled with None recognising the anticipated reduction in ongoing costs for the new choice based lettings IT system, resulting in this saving from 2017/18.

S3869	Reduction in the recharge from the HRA for shared amenities	0	(19,300)	(19,300)	(19,300)	(19,300)	Julia Hovells	Nil
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A review of the recharge between the General Fund and the HRA for contribution towards shared amenity None costs, relating to provision that benefits both the Council's tenants and the wider community, has resulted in a reduction in costs to the General Fund, and an increase in costs to the HRA.

S3870	Reallocate General Fund budget for Supporting People Programme	0	(7,600)	(7,600)	(7,600)	(7,600)	Julia Hovells	Nil
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A residual budget, recognising the need to pass Supporting People programme activity through the General Fund is no longer required, as transactions are now accounted for in the HRA directly. None

2017/18 Budget - GF - Savings

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Total Savings in Housing - General Fund

0	(39,800)	(39,800)	(39,800)	(39,800)
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Strategy & Transformation

S3868	Restructure of the Stores Team and improved procurement processes	0	(13,000)	(13,000)	(13,000)	(13,000)	Trevor Burdon	Nil
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A restructure of the Stores Team is anticipated to reduce staff numbers by one full time equivalent post, None delivering savings to both the General Fund and the HRA. Following restructure of the Stores Team, and planned re-location to Cowley Road, improved procurement and supply chain management are anticipated to deliver savings to both the General Fund and the HRA.

S3902	Miscellaneous Democratic Service savings	0	(28,000)	(28,000)	(28,000)	(28,000)	Gary Cliff	Nil
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Restructuring of officer support to the Mayoralty (£24k) and additional small saving (£4k) from first full year None reduction in the frequency of Area Committees

S3918	Election 2017 - one-off saving	0	(110,000)	0	0	0	Gary Cliff	Nil
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Cambridgeshire district councils run elections for the county council every four years and are reimbursed. This None takes place every fourth year and there are county council elections in May 2017. Therefore there is a one-off saving of £110,000 for this year's county council elections.

S3939	Reduction in street lighting contribution	0	(45,500)	(45,500)	(45,500)	(45,500)	Lynda Kilkelly	Nil
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Cambridgeshire County Council has reversed the decision to turn off lighting in the City resulting in a saving of None £45,500 which the City had allocated in order to keep the lights on in all areas of the city (2016/17 budget B3821) [see also proposal B3988]

Total Savings in Strategy & Transformation

0	(196,500)	(86,500)	(86,500)	(86,500)
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Total Savings

0	(411,300)	(301,300)	(301,300)	(301,300)
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Report Total

0	(735,200)	(835,200)	(1,054,200)	(1,054,200)
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2017/18 Budget - GF - External Bids

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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External Bids

Housing - General Fund

X3995	Rough Sleeping Programme	0	191,500	199,200	0	0	David Greening	Nil
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The council has been awarded £390,700 over the next two financial years to pilot a new scheme that addresses the needs of rough sleepers. The Council will be the lead partner with Cambridgeshire and Peterborough (NHS) Foundation Trust in a multi-disciplinary street outreach team with health services and charities. This will work with entrenched rough sleepers to tackle substance misuse and often complex mental health problems by offering personalised treatment and support to help facilitate resettlement. The funding targets prevention and early intervention through assessing the scale of rough sleeping and responding to this need in innovative ways. A key element of the work is to strengthen and build partnerships with other agencies who play a crucial role in helping those at risk of, or already, sleeping rough exit homelessness. [Funded from DCLG Grant]

High

Total External Bids in Housing - General Fund

0	191,500	199,200	0	0
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Planning Policy & Transport

X3926	Contribution to costs of achieving an adopted Local Plan	0	400,000	0	0	0	Sara Saunders	n/a
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There is a need to increase the Development Plan Fund to enable the City Council to complete its statutory plan work programme. Preparation on the emerging Local Plan started in 2011, with the Council submitting the Plan for Examination in March 2014. The Examination has taken much longer than expected, with further work being undertaken in the past year to respond to concerns raised by the Inspectors. The length of time and further work has meant that it is now makes a further bid necessary for 2017/2018 to cover anticipated costs to fulfil the objective of achieving an adopted Local Plans, working in partnership with South Cambridgeshire District Council. [Funded from New Homes Bonus]

None

Total External Bids in Planning Policy & Transport

0	400,000	0	0	0
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Total External Bids

0	591,500	199,200	0	0
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Report Total

0	591,500	199,200	0	0
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2017/18 Budget - GF - Non-Cash Limit items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Non-Committee Items

NCL3981	Rephase Use of Reserves to provide funding required for new capital bids (as additional Direct Revenue Funding in 2017/18)	(232,000)	466,000	(234,000)	0	0	John Harvey	Nil
								None

NCL3985	Council Tax Collection Fund Deficit	0	32,170	0	0	0	Charity Main	Nil
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The Collection Fund for Council Tax is projected to have a deficit at the end of the current year of £282,761. The City Council's share of this projected year-end deficit is £32,170 and this will need to be taken into account in setting the Council's budget for 2017/18. n/a

NCL3986	Council Tax Base Increase	0	(72,870)	(216,110)	(287,180)	(406,610)	Charity Main	Nil
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The projected Council Tax Base has been recalculated using the recent housing statistics which shows a larger rise than previously anticipated, resulting in an increase in the income from Council Tax. n/a

NCL3991	New Homes Bonus (NHB) change to income projections	0	1,300,000	3,121,000	4,596,000	5,628,000	Caroline Ryba	Nil
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New Homes Bonus (NHB) income projections have been revised following the notification from the Department for Communities and Local Government (DCLG) December 2016 and recalculated based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL3992, NCL3993 and NCL3994]. None

NCL3992	Contribution to City Deal from New Homes Bonus (NHB)	0	(1,246,000)	(2,102,000)	(2,808,000)	(3,249,000)	Caroline Ryba	Nil
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New Homes Bonus (NHB) to support the City Deal programme was based on a contribution of 40% in 2015/16 and 50% thereafter. This has now been revised to 50% in 2016/17 only and 40% for all other years following notification from the Department for Communities and Local Government (DCLG) December 2016 and recalculation based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL36991, NCL3993 and NCL3994]. None

NCL3993	New Homes Bonus (NHB) – unallocated	0	(772,000)	(1,806,000)	(283,000)	(2,379,000)	Caroline Ryba	Nil
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Net unallocated New Homes Bonus (NHB) has been revised following the notification from the Department for Communities and Local Government (DCLG), revised allocations for City Deal infrastructure investment and any further funding allocations. [Linked to NCL3991, NCL3992 and NCL3994]. None

2017/18 Budget - GF - Non-Cash Limit items

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

NCL3994	New Homes Bonus (NHB) contribution to Earmarked Reserve	0	718,000	787,000	(1,505,000)	0	Caroline Ryba	Nil
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New Homes Bonus (NHB) has been revised following the notification from the Department for Communities and Local Government (DCLG), revised allocations for City Deal infrastructure investment and any further funding allocations. The unallocated NHB in 2017/18 and 2018/19 will be paid into a temporary earmarked reserve - the A14 Mitigation Fund [Linked to NCL3991, NCL3992 and NCL3994].

Total Non-Cash Limit Items in Non-Committee Items

(232,000)	425,300	(450,110)	(287,180)	(406,610)
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Strategy & Transformation

NCL3899	Reprofile Apprentice Scheme delivery between years 2016/17 and 2017/18	(53,000)	53,000	0	0	0	Deborah Simpson	Nil
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In 2014/15 budget provision was made for a four year apprentice programme. The Council started work on developing an apprentice scheme to recruit 20 apprentices over a four year period to support people in gaining workplace skills in Cambridge. The programme to increase apprenticeships will continue through to March 2018, requiring the carrying over of £50k from the 2016/17 budget to 2017/18 to complete the programme. Low

Total Non-Cash Limit Items in Strategy & Transformation

(53,000)	53,000	0	0	0
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Total Non-Cash Limit Items

(285,000)	478,300	(450,110)	(287,180)	(406,610)
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Report Total

(285,000)	478,300	(450,110)	(287,180)	(406,610)
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Appendix D

Sensitivity Analysis

Topic	Quantum	BSR Assumption	Commentary / Risk
Bereavement services income	c.£1.8m	Current mortality rates built into BSR assumptions	<p>Falling mortality rate [yet ageing population in Cambridge]</p> <p>A planning application has been approved for a crematorium at Great Chesterford. Although work is yet to start on the site, this will impact on the current business from 2018/19 although volumes are expected to recover to existing levels within 10 years assuming sub regional growth continues. Bereavement services is currently run as a Trading Account so there will be no immediate impact on council reserves.</p> <p>Success of commemoration scheme and development of other commercial activities(positive)</p>
Building control fee income	c. £1.0m	Based on break-even full cost recovery position for the Building Control Shared Service	<p>Housing development levels in the sub region are not as great as anticipated or are delayed due to developers unwillingness to build</p> <p>Increased competition from approved inspectors leading to smaller market share</p> <p>Inability to recruit appropriately trained staff due to public sector pay restraints</p>
Car parking income	c. £9.8m	Based on officer and external consultants' projections of usage	<p>Income stream is contingent on decisions made by the City Deal board to manage congestion in the city.</p> <p>Longer than anticipated build out of Park Street car park will delay recovery of our income streams</p> <p>An ever improving economic situation regionally has led to increase in disposable income in those using Cambridge as a shopping destination (positive)</p>
Commercial property income	c. £8.3m	Officer assessment of current market conditions and future trends, including growth of the current property portfolio	<p>Economic conditions lead to increase in voids, increased level of unrecoverable debts and less significant rent increases</p> <p>High yields are negotiated on new investments (positive)</p>
Council tax base	c. 42,000 Band D equivalent properties @£181.75 (2016/17)	Projections are based on the housing trajectory indicated in the Annual Monitoring Report (AMR)	Any significant growth or deceleration in building will affect the number of houses on which council tax can be charged with the associated impact on the council tax income stream which in turn informs our savings requirement

Topic	Quantum	BSR Assumption	Commentary / Risk
Council tax income	£7.4m p.a.	£5 increase for 2017/18 and 2% per annum thereafter	Criteria for triggering referendums for proposed excessive increases are published each year. The requirement for rebilling and associated costs, together with the loss of council tax income, effectively provides a strong disincentive for high increase proposals. Economic climate may require an increase in enforcement activity and consequent reduction of funds available in the collection fund
Developer contributions	c. £5.3m	All contributions are used in compliance with terms of agreements. Capital bids for area-based and city-wide projects funded from developer contributions have been identified.	Failure to meet conditions of individual schemes leads to the requirement to repay contributions and accrued interest to developers. This is mitigated by strong funding management. Reduction in total unused receipts following the introduction of the Community Infrastructure Levy (CIL)
Employer's pension contribution	£20.9m	BSR includes provision for employer's percentage and capital payments, and for one-off contributions as necessary	Subject to the outcome of the next triennial review with effect from 1 April 2020.
Energy costs (all)	£1.0m	Officer assessment of current conditions and trends, based on latest contracts	Volatility of world market prices. The council has contracts for electricity and gas which run from October each year and takes specialist consultant advice in determining the most advantageous terms to contract for.
Future capital receipts	Income	Occasional disposal of assets as outlined in the disposal programme. Income not taken into account until received.	The council's stock land available for sale is reducing with two large sites unsold. It is likely that one of these sites will be developed for housing.
Housing benefits	£38.6m	Officer assessment of current conditions and trends	- Council funded element of provision of the service - Potential increase in housing benefit fraud - Impact of universal credit implementation is not fully known - Council breached the thresholds (upper and/or lower) set by the DWP for local authority error overpayment subsidy, then this could materially affect the level of subsidy receivable on such amounts down from 100% to either 40% or 0%.
Interest receipts from the housing company	< £150k	An estimate of additional income for the initial three year pilot has been included to reflect the higher rate applicable to this loan above the interest rate expected on our treasury management investments	The housing company is being run as a pilot for 3 years. As this is a new venture, there will be uncertainties in the timing and amount of loan advances from the council, and therefore in the quantum of interest receipts.

Topic	Quantum	BSR Assumption	Commentary / Risk
Investment income	+/- 1% is c. £600k for 2017/18 variable investments	These are based on a mid-range level provided by market analysts	Rates fall further than anticipated or for a longer period. A faster increase in bank base rates would result in increase in investment income. (positive)
Land charges income	c. £0.25m	Reductions based on latest experience have been incorporated in the budget	Increased proportion of personal searches and reduced number of overall searches due to market conditions.
Local retention of business rates	c. £5m estimated	BSR includes projections based on latest figures and guidance	Business rates are subject to the level of appeals against valuations lodged with the Valuation Office Agency (VOA) and the effects of redevelopment and growth in the city.
Market income	c. £0.85m	Officer assessment of current market conditions and future trends	Level of voids as a result of a changing economic climate. Any reductions will be mitigated by new traders coming to the market as we seek to widen the range of services on the market. An improving climate will see full occupancy
Non-pay inflation	+/- 1% for GF is ~ £300k for either income or expenditure for 2017/18	General inflation is included at 2.0% from 2017/18 ongoing (based on the government target for CPI inflation).	General Inflation rises more quickly than anticipated placing greater pressure on cash limited budgets or on general reserves to fund those pressures.
Pay settlement	£27.4m	Pay award agreed from 1 Jan 2015. Current assumption (to 2019/20) is of 1% inflation plus pay progression.	An annual percentage allowance for incremental progression was previously included pending any detailed budget adjustments to reflect performance results. Changed to projected progression cost.
Planning fee income	c. £1.7m	Income projections for 2017/18 have been amended to reflect current market conditions.	Developers retain land stock rather than building out
Shared services	n/a	Shared services will deliver savings outlined individual service business cases.	Delivery of savings and other non-cashable benefits is dependent on effective partnership working in a complex political and cultural environment. Savings may be delayed, may not be deliverable in full, or there may be unforeseen costs of implementation.
Spending review	c. £1.9m	The budget assumption, based on the 2015 autumn statement, is that Revenue support grant will cease from 2020/21.	The budget is based on the 2015 Spending review and the level of Revenue support grant and locally retained business rates are budgeted accordingly. Certainty of income until then has been received from the DCLG following our submission of an Efficiency Plan

Topic	Quantum	BSR Assumption	Commentary / Risk
Support costs charged to the HRA	c. £1.25m	Support costs ("Recharges") are charged based on various fixed and variable criteria which change from year to year.	<p>Recent budget and policy announcements from central government have given rise to the need to make significant savings in the HRA. It is likely that the size of the HRA will reduce in future years, and therefore the proportion of support service costs that are chargeable to the HRA will also reduce.</p> <p>Fixed costs such as administrative buildings, management structure, costs of democracy and long term contracts cannot be reduced immediately, if at all. There may be a perceived imbalance in the short term in the proportion of costs charged to the HRA until such time as a strategic decision is taken to allocate a lower level of costs recharged to the HRA with a corresponding increase in costs to the GF and thus the council tax payer. The onus is therefore on the council to make appropriate savings in rechargeable costs as the council reduces in size overall.</p>
VAT partial exemption	c. £300k if breached	No breach of partial exemption limit is anticipated for 2017/18	Potential liability if limit is breached over a seven-year moving average

2017/18 Budget - GF - Capital Bids

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Environmental Services & City Centre

C3932	Vehicle and plant fleet replacements 2017/18	0	2,436,000	0	0	0	David Cox	+M
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The replacement of 10 waste freighters (£1.65m), 35 vans for grounds and housing stock maintenance (£0.65m) and plant and equipment (£100k) scheduled for replacement in 2017/18 as part of a rolling programme necessary to replace out of life assets that would otherwise significantly increase maintenance costs. Where possible, electric vehicles will be considered depending on whole life costs. There is a higher than usual replacement cost this year due to a large number of refuse vehicles that require replacement. The average life of a refuse vehicle is 7 years but for other vehicles can range between 5 and 8 years depending on use. In recent years the Council has taken a proactive approach in reviewing the need for replacement rather than automatically replacing a vehicle in a fixed cycle, resulting in a year such as this when a higher number of replacements is required. However, maintenance costs for the fleet will be significantly reduced. [Funded from R & R] None

C3943	Electric vehicle rapid charge points	0	25,000	25,000	25,000	25,000	Jo Dicks	+M
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This project is to deliver one additional electric vehicle rapid charge point each year for the years 2017-2021 to support the increased uptake of electric vehicle use in Cambridge and in particular to support the introduction of a low emission taxi policy. Charge points will be installed at busy locations such as Cowley Road, outside new City Council Depot, Addenbrookes Hospital, Cambridge Railway Station car park and North West Cambridge Development None

C3984	Waste compound tipper/grab lorry	165,000	0	0	0	0	Joel Carre	Nil
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The purpose of the project is to in-source the resource requirements (32 tonne tipper lorry with hydraulic grab system and driver/ operator) to enable the Council to manage the handling and transport of Estates and Facilities and Streets and Open Spaces (S&OS) generated waste from the new Cowley Road Depot waste transfer facility to Amey Cespa's Waste Management Park at Waterbeach. This investment will deliver a revenue saving of £60k when compared to the existing waste handling arrangement and offers the opportunity to generate income from using any available operating capacity for other external work or by reducing the costs of other council services. [Funded from earmarked reserves] None

Total Capital Bids in Environmental Services & City Centre

165,000	2,461,000	25,000	25,000	25,000
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Finance & Resources

C3917	Re-roof the Guildhall	0	164,000	0	0	0	Andrew Muggidge	+M
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Replace the existing asphalt flat roof covering on the upper and lower levels of the Guildhall with a new high performance covering, which will also offer improved insulation. The new roof will be covered by a 20 year guarantee and a condition inspection by the manufacturer after 10 years. In recent years, the existing roof has been patched as necessary. None

2017/18 Budget - GF - Capital Bids

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

C3934	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	0	450,000	0	0	0	Will Barfield	+H
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Energy efficiency works throughout the Guildhall to meet requirements of the Council's carbon management plan including Solar PV (£60k), heating controls (£140k), improved insulation (£25k) and LED lighting (£80k). Works will also improve energy efficiency with associated cost reduction.
[Funded from Climate Change Fund £300k and Reserves]

Total Capital Bids in Finance & Resources	0	614,000	0	0	0
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Non-Committee Items

C3978	Remove schemes from the Capital Plan so funding released (Direct Revenue Funding released in 2017/18)	0	(157,000)	0	0	0	John Harvey	Nil
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None

Total Capital Bids in Non-Committee Items	0	(157,000)	0	0	0
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Planning Policy & Transport

C3910	Structural and equipment improvements to multi-storey car parks	0	1,600,000	0	0	0	Sean Cleary	Nil
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This bid covers projects to be undertaken in 2017/18 at City multi-storey car parks including sprinkler systems at the Grand Arcade and Queen Anne Terrace car parks. Roof repairs, deck coating replacement and drainage improvements will be undertaken at Grand Arcade and Grafton East car parks.

Further detail of individual elements of this bid will be available in a separate appendix for discussion by members of the scrutiny committee only by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Total Capital Bids in Planning Policy & Transport	0	1,600,000	0	0	0
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Streets & Open Spaces

C3904	Reilly Way Play Area redevelopment	40,000	0	0	0	0	John Parrott	+L
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2017/18 Budget - GF - Capital Bids

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

This proposal covers the installation of a design judged to have provided the best play value, innovation, layout and value for money. Items include, timber sunken ship, timber climbing area, natural play mounds, seesaw and inclusive roundabout and swings. Extra landscaping will be provided to soften any potential impact although visual impact will be limited as the items are low level. Improvements to boundary fencing and entrance areas will also be included. In addition new seats, litter bins and recycling facilities will be included. No impact will take place on existing trees. Low
 [Funded from £30k S106, £10k Revenue]

C3974	Acquisition of land adjacent to Huntingdon Road Crematorium	0	315,000	0	0	0	James Elms	Nil
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The current plan for improvement works along the A14 includes a new crematorium entrance that will cut directly through the site. This land purchase will move the entrance of the crematorium to much more acceptable location on the south eastern side of the site. The Highways Agency will provide a new access road at no cost to the Council and we are taking the opportunity to purchase a previously inaccessible parcel of land which will be used to add major enhancements to the facilities provided to the bereaved, including improved parking, a potential wakes service, green burials, a quiet woodland area and nature reserve. None
 [Funded from Bereavement Trading Account]

C3983	Ditton Fields Play Area refurbishment	38,000	0	0	0	0	John Parrott	Nil
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This proposal covers the installation of design judged to have provided the best play value, innovation, layout and value for money. Items include trampoline, wobbly bridge, two bay swing unit including cradle seat. In addition new seats, litter bins and recycling facilities will be included. There will be no impact to existing trees. None
 [Funded from S106]

Total Capital Bids in Streets & Open Spaces	78,000	315,000	0	0	0			
Total Capital Bids	243,000	4,833,000	25,000	25,000	25,000			
Report Total	243,000	4,833,000	25,000	25,000	25,000			

Capital Projects Requiring Funding From Reserves

(1 pages)

Budget Setting Report - Appendix E (b)

2017/18 Budget

<----- Funding Required ----->

<----- Project Total ----->

Ref	Project	Climate Change Indicator	Priority score	2016/17	2017/18	2018/19	2019/20	2020/21	Poverty rating	Linked to / Funding / Comments	2016/17	2017/18	2018/19	2019/20	2020/21
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General Fund

C3904	Reilly Way Play Area redevelopment	+L	-						Low	Funding: £30k S106, £10k Revenue	40,000				
C3910	Structural and equipment improvements to multi-storey car parks	Nil	1.0		1,600,000				None	Approved by CPB Nov 2016		1,600,000			
C3917	Re-roof the Guildhall	+M	1.0		164,000				None			164,000			
C3932	Vehicle and plant fleet replacements 2017/18	+M	0.7						None	Funding: R&R Approved by CPB Nov 2016		2,436,000			
C3934	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	+H			150,000				None	Funding: £300k Climate Change Fund [Subject to CPB approval]		450,000			
C3943	Electric vehicle rapid charge points	+M	2.6		25,000	25,000	25,000	25,000	None	Approved by CPB Nov 2016		25,000	25,000	25,000	25,000
C3974	Acquisition of land adjacent to Huntingdon Road Crematorium	Nil							None	Funding: Bereavement Trading Account [Subject to CPB approval]		315,000			
C3978	Remove schemes from the Capital Plan so funding released (Direct Revenue Funding released in 2017/18)	Nil	-		(157,000)				None			(157,000)			
C3983	Ditton Fields Play Area refurbishment	Nil	-						None	Funding: S106	38,000				
C3984	Waste compound tipper/grab lorry	Nil	1.0						None	Funding: Earmarked	165,000				
Total Funding Required from Reserves : General Fund					1,782,000	25,000	25,000	25,000			243,000	4,833,000	25,000	25,000	25,000

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Appendix E (c)

Capital Plan 2016/17 to 2021/22 - Approvals / changes since MTF5 October 2016

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	Comment
Capital-GF Projects									
PR050a	Relocation of services to 130 Cowley Road (OAS)	W Barfield	507	0	0	0	0	0	Approved OAS URGENT
PR050b	Mandela House refurbishment (OAS)	W Barfield	1,350	0	0	0	0	0	Approved OAS URGENT
PR050b	Mandela House refurbishment (OAS)	W Barfield	(127)	0	0	0	0	0	Funding transferred to OAS
PR050c	Refurnishing Guildhall 4th floor (OAS)	F Barratt	57	0	0	0	0	0	Approved OAS URGENT
PR050d	Mobile working (OAS Phase II)	W Barfield	20	79	0	0	0	0	Approved OAS URGENT
PR050e	Cowley Road Compound ex-Park and Ride site (OAS)	W Barfield	586	0	0	0	0	0	Approved OAS URGENT
SC639	Re-roofing the Guildhall	A Muggeridge	(183)	0	0	0	0	0	Funding transferred to OAS
SC643	ICT infrastructure and server upgrade	D Edwards	0	602	0	0	0	0	Approved URGENT
Capital-GF Projects			2,210	681	0	0	0	0	
Capital-Programmes									
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Wilson	(31)	0	0	0	0	0	Per BSR - amounts returned to the Plan in 2016/17 following a review (see rephased into 2017/18)
PR027	Replacement of Parks & Open Space Waste/Litter Bins	A French	(48)	0	0	0	0	0	Per BSR - amounts returned to the Plan in 2016/17 following a review (see rephased into 2017/18)
PR028	Litter Bin Replacement Programme	A French	(23)	0	0	0	0	0	Per BSR - amounts returned to the Plan in 2016/17 following a review (see rephased into 2017/18)
PR050	Office Accommodation Strategy Phase 2	F Barratt	587	375	0	0	0	0	Approved OAS - Unallocated
Capital-Programmes			485	375	0	0	0	0	
Capital-GF Provisions									
PV532	Cambridge City 20mph Zones Project	J Richards	(55)	0	0	0	0	0	Per BSR - amounts returned to the Plan in 2016/17 following a review (see rephased into 2017/18)
Capital-GF Provisions			(55)	0	0	0	0	0	
Capital-other adjustments									
	Rephasing / other minor adjustments		(103)	157					The £75k 2016/17 available funding rephased into 2017/18 and used to part fund Server. £157k from schemes listed above rephased into 2017/18 (see proposal to remove from plan).
Total GF Capital Plan movements from MTF5 Oct 2016 to BSR Feb 2017			2,537	1,213	0	0	0	0	

Appendix E (d)

Capital Plan 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
Capital-GF Projects								
PR030e	Cavendish Rd (Mill Rd end) improvements: seating & paving (S106)	J Richards	7	0	0	0	0	0
PR030f	Bath House Play Area Improvements (S106)	D O'Halloran	57	0	0	0	0	0
PR031i	Perse Way Flats Play Area (S106)	A Wilson	2	0	0	0	0	0
PR031k	St Luke's Church: grant for refurbishment of community facilities (S106)	J Hanson	8	0	0	0	0	0
PR031l	Landscaping and play area improvements on green on Bateson Road (S106)	J Parrott	26	0	0	0	0	0
PR031m	Install play equipment at Dundee Close, Discovery Road and Scotland Road play areas (S106)	J Parrott	24	0	0	0	0	0
PR032g	Cherry Hinton Rec Ground pavilion refurb. (S106)	I Ross	297	0	0	0	0	0
PR032h	Trumpington Bowls Club Pavilion Ext. (S106)	I Ross	2	0	0	0	0	0
PR032l	Grant to improve community facilities at Lutheran Church on Shaftesbury Road (S106)	J Hanson	45	0	0	0	0	0
PR032m	Grant to improve the community room facilities at Rock Road Library (S106)	J Hanson	16	0	0	0	0	0
PR032o	Nightingale Park Community Green Space (S106)	G Belcher	22	0	0	0	0	0
PR032p	Reilly Way play area improvements (S106)	A Wilson	40	0	0	0	0	0
PR032r	Install junior fit kit at Accordia development (S106)	A Wilson	15	0	0	0	0	0
PR033c	Public Art element of improvements to the entrances at Histon Rd Rec (S106)	N Black	2	0	0	0	0	0
PR033f	Histon Rd Rec Ground Improvements (S106)	A Wilson	14	0	0	0	0	0
PR033m	Benches on Carisbrooke Road green and next to Coton footpath near Wilberforce Road (S106)	A Wilson	3	0	0	0	0	0
PR033n	Shelly Row play area improvements (S106)	A Wilson	50	0	0	0	0	0
PR033o	Refurbishment of Christ's Piece's Tennis Courts and Fencing (S106)	I Ross	59	0	0	0	0	0
PR033q	Additional play equipment, benches and landscaping at Christ Piece's play area (S106)	A Wilson	15	0	0	0	0	0
PR034c	Drainage of Jesus Green (S106)	A French	6	0	0	0	0	0
PR034d	Public Art - 150th and 400th Anniversary (Cambridge Rules) (S106)	N Black	112	0	0	0	0	0
PR034n	Cambridge Gymnastics Academy: grant for warehouse conversion into gym facility (S106)	I Ross	65	0	0	0	0	0
PR034o	Netherhall School: supplementary grant for gym and fitness suite facilities (S106)	I Ross	219	0	0	0	0	0

Appendix E (d)

Capital Plan 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
PR034p	Cambridge 99 Rowing Club: grant for kitchen facilities (S106)	I Ross	5	0	0	0	0	0
PR034q	Cambridge Canoe Club: additional boat and equipment store (S106)	I Ross	8	0	0	0	0	0
PR040a	Public art grant - Big Draw event 2015, Chesterton (S106)	N Black	1	0	0	0	0	0
PR040b	Public art grant - Rock Road library community garden (S106)	N Black	7	0	0	0	0	0
PR040c	Public art grant - Creating my Cambridge: Clicking to Connectivity (S106)	N Black	15	0	0	0	0	0
PR040d	Public art grant - Twilight at the Museums 2016: Animated Light Projection (S106)	N Black	14	0	0	0	0	0
PR040e	Public art grant - Cambridge Sculpture Trails leaflet (S106)	A Wilson	3	0	0	0	0	0
PR040f	Public art grant - Syd Barrett (S106)	S Tovell	2	0	0	0	0	0
PR040g	Public art grant - Chesterton mural (S106)	S Tovell	1	0	0	0	0	0
PR040i	Public art grant - History Trails (S106)	S Tovell	5	0	0	0	0	0
PR040j	Public art grant - Sounds of Steam (S106)	S Tovell	5	0	0	0	0	0
PR040k	Public art grant - Mitcham's models at Christmas (S106)	A Wilson	1	0	0	0	0	0
PR040l	Public art grant - Newnham Croft stained glass window (S106)	S Tovell	5	0	0	0	0	0
PR040m	Public art grant - public art at North Cambridge Academy (S106)	S Tovell	5	0	0	0	0	0
PR040o	Public art grant - 'The place where we stand' (S106)	S Tovell	3	0	0	0	0	0
PR040p	Public art grant - Life in Trumpington (S106)	S Tovell	1	0	0	0	0	0
PR041b	Grant to Cambridge Gymnastics Academy for trampoline and foam pit in gym (S106)	I Ross	75	0	0	0	0	0
PR041d	Grant to Camrowers and CRA Boathouse (S106)	I Ross	250	0	0	0	0	0
PR042A	Improved access to Hodson's Folly (S106)	S Tovell	9	0	0	0	0	0
PR050a	Relocation of services to 130 Cowley Road (OAS)	W Barfield	507	0	0	0	0	0
PR050b	Mandela House refurbishment (OAS)	W Barfield	1,350	0	0	0	0	0
PR050c	Refurnishing Guildhall 4th floor (OAS)	F Barratt	57	0	0	0	0	0
PR050d	Mobile working (OAS Phase II)	F Barratt	20	79	0	0	0	0

Appendix E (d)

Capital Plan 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
PR050e	Cowley Road Compound ex-Park and Ride site (OAS)	W Barfield	586	0	0	0	0	0
SC391	La Mimosa Punting Station	P Doggett	2	0	0	0	0	0
SC410	Mill Road Cemetery	D Peebles	10	0	0	0	0	0
SC469	Vie Public Open Space (S106)	S Tovell	7	0	0	0	0	0
SC540	Electronic Market Management Software	D Ritchie	2	0	0	0	0	0
SC548	Southern Connections Public Art Commission (S106)	A Wilson	24	11	21	0	0	0
SC560	Guildhall & Corn Exchange Cap Schemes RO AR9	D Kaye	63	0	0	0	0	0
SC570	Essential Structural/Holding Repairs - Park Street Multi Storey car park	S Cleary	17	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Saunders	20	0	0	0	0	0
SC588	NW Cambridge Development Underground Collection Vehicle	M Parsons	265	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	S Cleary	299	20	15	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donnell	200	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	T Allen	325	0	0	0	0	0
SC604	Replacement Financial Management System	C Ryba	242	0	0	0	0	0
SC605	Replacement Building Access Control System	W Barfield	73	0	0	0	0	0
SC607	Fleet Maintenance & Management Service at Waterbeach	D Cox	91	0	0	0	0	0
SC608	Improvements to Gwydir Enterprise Centre	D Prinsep	200	0	0	0	0	0
SC609	Electric Pest Control Van	Y O'Donnell	22	0	0	0	0	0
SC612	Car parking control equipment at multi storey car parks	S Cleary	570	0	0	0	0	0
SC613	Dedicated wi-fi frequency for Cambridge CCTV cameras	L Kilkelly	25	0	0	0	0	0
SC614	Redeployable CCTV camera stock	L Kilkelly	60	0	0	0	0	0
SC615	Cherry Hinton Grounds Improvements Phase 2 (S106)	A Wilson	180	220	0	0	0	0
SC616	General Fund Property Acquisition for Housing Company	D Prinsep	2,114	0	0	0	0	0

Appendix E (d)

Capital Plan 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
SC617	Grant for gym changing rooms and new health suite at Kelsey Kerridge (S106)	I Ross	40	0	0	0	0	0
SC621	20 Newmarket Road - commercial property	D Prinsep	125	0	0	0	0	0
SC622	Grafton East car park LED lights	S Cleary	137	0	0	0	0	0
SC623	Environment and cycling improvements in Water Street and Fen Road	A Wilson	50	0	0	0	0	0
SC624	Dudley Road play area improvements (S106)	A Wilson	40	0	0	0	0	0
SC625	Lammas Land kiosk improvements	J Ogle	20	0	0	0	0	0
SC626	Grant for community facilities at Rowan Humberstone Centre (S106)	J Hanson	71	0	0	0	0	0
SC629	Abbey Pools air plant upgrade	I Ross	46	0	0	0	0	0
SC630	Abbey Pools solar thermal upgrade	I Ross	49	0	0	0	0	0
SC631	Grand Arcade car park LED lights	S Cleary	194	0	0	0	0	0
SC635	Structural and equipment improvements to multi-storey car parks	S Cleary	0	1,600	0	0	0	0
SC636	Management of waste compound - vehicle	D Blair	165	0	0	0	0	0
SC638	Ditton Fields play area improvements (S106)	A Wilson	38	0	0	0	0	0
SC639	Re-roofing the Guildhall	A Muggeridge	0	164	0	0	0	0
SC643	ICT infrastructure and server upgrade	D Edwards	0	602	0	0	0	0
SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	J Dunk	0	315	0	0	0	0
SC645	Electric vehicle charging points	J Dicks	0	25	25	25	25	0
Capital-GF Projects			9,826	3,036	61	25	25	0
Capital-Programmes								
PR010a	Environmental Improvements Programme - North Area	J Richards	135	50	50	0	0	0
PR010b	Environmental Improvements Programme - South Area	J Richards	178	36	36	0	0	0
PR010c	Environmental Improvements Programme - West/Central Area	J Richards	124	36	36	0	0	0
PR010d	Environmental Improvements Programme - East Area	J Richards	167	48	48	0	0	0
PR017	Vehicle Replacement Programme	D Cox	349	2,436	0	0	0	0

Appendix E (d)

Capital Plan 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
PR023	Admin Buildings Asset Replacement Programme	W Barfield	29	0	0	0	0	0
PR024	Commercial Properties Asset Replacement Programme	W Barfield	144	0	0	0	0	0
PR028	Litter Bin Replacement Programme	A French	91	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (\$106)	S McBride	155	112	100	0	0	0
PR037	Local Centres Improvement Programme	J Richards	27	0	0	0	0	0
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	J Richards	193	0	0	0	0	0
PR038	Investment in commercial property portfolio	D Prinsep	20,000	0	0	0	0	0
PR039	Minor Highway Improvement Programme	J Richards	53	30	30	0	0	0
PR050	Office Accommodation Strategy Phase 2	F Barratt	587	375	0	0	0	0
PR051	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	W Barfield	0	450	0	0	0	0
Capital-Programmes			22,232	3,573	300	0	0	0
Capital-GF Provisions								
PV007	Cycleways	J Richards	324	100	100	0	0	0
PV016	Public Conveniences	A French	30	0	0	0	0	0
PV018	Bus Shelters	J Richards	110	0	0	0	0	0
PV033B	Street Lighting	J Richards	81	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	2	61	0	0	0	0
PV221b	Lion Yard - Contribution to Works Phase 2	P Doggett	74	300	0	0	0	0
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	10	0	0	0	0	0
PV532	Cambridge City 20mph Zones Project	J Richards	186	0	0	0	0	0
PV549	City Centre Cycle Parking	J Richards	182	0	0	0	0	0
PV554	Development Of land at Clay Farm	S Walston	527	659	120	56	487	0
PV564	Clay Farm Community Centre -Phase 2 (Construction)	A Carter	5,782	0	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	D Prinsep	295	25	0	0	0	0

Appendix E (d)

Capital Plan 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
PV594	Green Deal	J Dicks	2,510	0	0	0	0	0
PV595	Green Deal - Private Rental Sector	J Dicks	1,655	0	0	0	0	0
Capital-GF Provisions			11,768	1,145	220	56	487	0
Total GF Capital Plan			43,826	7,754	581	81	512	0

Appendix E (e)

Capital Plan [Under Development] 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
Capital-GF Under Development								
UD030g	[Part A] East Barnwell Comm. Centre impr. phase 1 (S106)	J Hanson	0	255	0	0	0	0
UD030h	[Part A] Romsey 'town square' public realm improvements (S106)	J Richards	0	56	0	0	0	0
UD030j	[Part A] Cavendish Rd (Mill Rd end) improvements: public art (S106)	A Wilson	0	30	0	0	0	0
UD030o	[Part A] Improve Coleridge Rec Ground pavilion (S106)	I Ross	0	70	0	0	0	0
UD030p	[Part A] Outdoor fitness equipment near astroturf pitch by Abbey Pool (S106)	I Ross	0	42	0	0	0	0
UD031g	[Part A] Milton Rd Library Community Meeting Space (S106)	J Hanson	0	100	0	0	0	0
UD032n	[Part A] St Paul's Primary School: community meeting space (S106)	J Hanson	0	40	0	0	0	0
UD032q	[Part A] Upgrade Nightingale Avenue play area (S106)	A Wilson	0	60	0	0	0	0
UD032s	[Part A] Footbridge across Hobson's Brook at Accordia development (S106)	A Wilson	0	35	0	0	0	0
UD033k	[Part A] King's College School: grant for visitor sports changing facilities (S106)	I Ross	0	50	0	0	0	0
UD033q	[Part A] Improvements to Histon Road Rec Ground football area (S106)	I Ross	0	25	0	0	0	0
UD034j	[Part A] Pavilion facilities at Jesus Green (S106)	I Ross	0	250	0	0	0	0
UD034m	[Part A] King's College School: grant for visitor sports changing facilities (S106)	I Ross	0	75	0	0	0	0
UD034r	[Part A] Cambridge Rugby Club: grant for new changing rooms (S106)	I Ross	0	200	0	0	0	0
UD037	[No documentation] Local Centres Improvement Programme	J Richards	0	195	195	195	0	0
UD037b	[No documentation] Local Centres Improvement Programme - Arbury Court	J Richards	0	195	0	0	0	0
UD041e	[Part A] Equipping new community centre at Darwin Green (S106)	J Hanson	0	25	0	0	0	0
UD042e	[Part A] Public realm improvements on Cherry Hinton Road (towards Hills Road end) (S106)	A Wilson	0	75	0	0	0	0
UD042f	[Part A] Public realm improvements on Sidney Street (S106)	A Wilson	0	43	0	0	0	0
UD475	[Part A] Nightingale Recreation Ground Pavilion Refurbishment (S106)	I Ross	0	403	0	0	0	0
UD593	[No documentation] A14 mitigation schemes (previously Keep Cambridge Moving Fund contribution)	S Payne	0	0	0	1,500	0	0

Appendix E (e)

Capital Plan [Under Development] 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
UD616	[Part A] Grant for refurbishment of Memorial Hall and Church Hall, Cherry Hinton Road (S106)	J Hanson	0	150	0	0	0	0
UD617	[Part A] Re-roofing of Folk Museum	A Muggeridge	0	77	0	0	0	0
UD618	[Part A] Resurfacing of commercial properties - Gwydir Street and Ronald Rolph Court	A Muggeridge	0	120	0	0	0	0
UD619	[Part A] Mill Road cemetery access and main footpath improvements (S106)	A Wilson	0	175	0	0	0	0
UD620	[Part A] Sheep's Green watercourse improvements and habitat creation (S106)	G Belcher	0	40	0	0	0	0
UD622	[Part A] BMX track on Coldham's Common (S106)	A Wilson	0	85	0	0	0	0
UD625	[Part A] Grant for 4 tennis courts at North Cambridge Academy (S106)	I Ross	0	100	0	0	0	0
UD626	[Part A] River Cam public art programme (S106)	A Wilson	0	400	0	0	0	0
UD626	[Part A] Improvements to Netherhall School sports hall (S106)	I Ross	0	169	0	0	0	0
UD627	[Part A] Guildhall Large Hall Windows refurbishment	A Muggeridge	0	101	0	0	0	0
UD628	[Part A] Mill Lane Boathouse (Granta Place)	P Doggett	0	0	0	0	550	0
UD629	[Part A] Tennis court upgrade on Lammas Land (S106)	I Ross	0	45	0	0	0	0
UD631	[Part A] Improvements to community facilities at The Junction (S106)	J Wilson	0	98	0	0	0	0
UD632	[Part A] Reinforcing grass edges along paths across Parker's Piece (S106)	A Wilson	75	0	0	0	0	0
UD632	[Part A] Audio-visual equipment	F Barratt	0	15	0	0	0	0
UD635	[Part A] Meadows Community Centre toilets refurbishment	I Ross	0	23	0	0	0	0
UD637	[Part A] Chesterton Pavilion and Grounds improvements (S106)	I Ross	0	173	0	0	0	0
Capital-GF Under Development			75	3,995	195	1,695	550	0

Appendix E (e)

Capital Plan [Under Development] 2016/17 to 2021/22

Ref.	Description	Lead Officer	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)
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Note that the PUD list provides a list of possible capital projects, as an indication of what the council might approve for delivery in future years. Projects on the PUD list will be in various stages of development, as indicated by the [annotation] at the beginning of the project description.

[Part A] – the project has an outline business case, approved by the Capital Programme Board

[Part B] – the project has a full business case, approved by the Capital Programme Board, and is ready to be funded

[Scrutiny report] – the project has been reported to the appropriate Scrutiny Committee and has been approved for further development. It may be partially funded. It is likely that the project originated before the current capital approval processes were implemented, and now needs updated documentation and then funding approval

[No documentation] – the project has been moved from the capital plan to the PUD list, as there were no firm plans for delivery at that time. It is likely that the project originated before the current capital approval processes were implemented, and now needs updated documentation and then funding approval

The PUD list also gives an indication of when the project might be delivered. This is based on the latest information from services and is provided as a guide for high level planning purposes only.

Appendix F

Earmarked and Specific Funds

Fund	Balance at 1 April 2016	Planned contributions	Planned Commitments	Uncommitted balance to end of 2021/22
	£000	£000	£000	£000
City Deal Investment and Delivery Fund ¹	(1,985)	(13,149)	15,134	0
Sharing Prosperity Fund ²	(625)	(300)	925	0
Climate Change Fund ³	(347)	(370)	717	0
Asset Replacement Fund	(1,000)	(6,000)	6,696	(304)
Bereavement Services (Trading & Asset Replacement Fund) ⁴	(551)	(1,346)	1,713	(184)
Council Tax Earmarked for Growth	(427)	0	427	0
Efficiency Fund	(217)	0	217	0
Development Plan Fund ⁵	(255)	(652)	907	0
Office accommodation strategy fund	0	(3,896)	3,896	0
Property Strategy Fund	(21)	0	21	0
Invest for Income	(6,500)	(1,500)	8,000	0
Project Facilitation Fund	(73)	0	73	0
A14 Mitigation Fund (New)	0	(1,505)	1,505	0
Total	(12,001)	(28,718)	40,231	(488)

¹ subject to future requirements (assumption is 100% committed)

² assumed that all current contributions will be spent

³ assumed that all current contributions will be spent

⁴ subject to retention of over performance against budget (assumption £nil)

⁵ subject to final costs of current plan and estimate of Local Plan work commencing 2020



Cambridge City Council Equality Impact Assessment

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

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

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

Budget 2017/2018 General Fund

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

To enable the City Council to set a balanced budget for 2017/18 that reflects the Council's vision and takes into account councillor's priorities in its proposals for achieving the savings required.

This EQIA assesses the equality impacts of the General Fund (GF) element of the City Council's budget; a separate EQIA has been completed for the Housing Revenue Account (HRA) element of the Council's budget.

An Equality Impact Assessment (EqIA) has been completed for budget proposals that are likely to result in service changes. This EqIA sets out the material information from EqIAs attached to individual budgets bids. Some EqIAs identify very small or neutral impacts and therefore have not been included and some projects are continuations of existing work.

This approach is intended to ensure that councillors have access to the relevant information on the equality impact of budget proposals at the point when they are being asked to make a decision. This will enable councillors to discharge their Duty under the [Equality Act 2010](#).

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

The 2017/2018 GF budget bids considered as part of this impact assessment are listed below:

GFB3906 - Air Quality Project Support Officer (Scientific Officer - 50% FTE 2 years) – This bid will provide additional staff capacity for a two year period to deliver air quality activity, including work on Low Emission Taxis, Electric Vehicle Charging Infrastructure, and the Quality Bus Partnership.

B3977 Sharing Prosperity Fund - This bid would supplement previous contributions to the Sharing Prosperity Fund made in July 2014, February 2015, February 2016 and October 2016. The funding will support projects which will contribute to the delivery of the objectives of the Council's Anti-Poverty Strategy, including the extension and expansion of successful pilot projects, or new projects to meet identified needs for low income residents. This could include: further work to promote financial literacy and inclusion; further work to address fuel and water poverty; continued support for volunteering; and projects to improve the mental and physical health of residents on low incomes.

C3974 Acquisition of Land adjacent to Huntingdon Road Crematorium - Improvement works along the

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

A14 will move the entrance of the crematorium to the opposite, south eastern side of the site. The Highways Agency will provide a new access road at no cost to the Council and we are taking the opportunity to purchase a previously inaccessible parcel of land on the City side of our property. This will be used to enhance the facilities provided to the bereaved with various options such as improved parking, a wakes service, green burials, a quiet woodland area and a nature reserve.

GFC3941 – Mobile technology (Office Accommodation Strategy) - This project will meet the costs of laptop computers, mobile phones and other equipment needed to facilitate SMART working by staff who will be relocated as part of phase two of the Council's Office Accommodation Strategy. Depending on the needs of individual services, the requirements for particular roles and the personal circumstances of individual members of staff, SMART working could include working from other City Council sites, partner organisations' sites, or from home. In the longer-term, it is proposed that a wider SMART working programme will be developed which will encompass all Council services.

C3904 - Reilly Way Play Area redevelopment – This project will improve and increase play provision through new swings, multi-activity units and safety surfacing at Reilly Way play area.

C3983 - Ditton Fields Play Area refurbishment - This project will include the installation of new play provision at Ditton Fields Play Area, including trampoline, wobbly bridge, and a two bay swing unit including cradle seat. In addition new seats, litter bins and recycling facilities will be included.

GFS3907 - Customer Service Transformation - This is a further phase in work to modernise and improve the Council's handling of telephone calls. Following on from new phones and the automated switchboard implementation, this will introduce a call triage system, to further improve call answering and also produce some staffing savings. Call triage will apply to Waste and Streets/ Environmental Services initially, but there will be further phases to roll this out to other services at a later stage

GFC3919 - Abbey Pool - Outdoor Fitness Zone – This bid is to install fitness equipment to an outdoor area at the Abbey Pool complex. The equipment can be used by everyone free of charge, and will be available all year round. It will replicate indoor fitness activities and exercise workouts.

C3944 - Footbridge across Hobson's Brook at Accordia Development - The aim of the proposed scheme is to install a pedestrian footbridge across Hobson's Brook, which will improve the public pedestrian access to, from and through the Accordia development. It will provide a link with the pedestrian network within the Accordia site to the existing paths that run alongside the west side of the conduit, which runs up the west side of the allotments to Brooklands Avenue and down to Long Road.

GFC URP3900 - Changes to the calculation of holiday pay, reflecting recent case law.

GFS3939 - Reduction in street lighting contribution and GFB3988 - Street lighting contribution - Cambridgeshire County Council had previously proposed to turn off or dim street lighting in different areas of Cambridge overnight. The City Council allocated £45,500 in its 2016/17 budget to ensure that lights were kept on in all areas of the city.

The County Council subsequently restored funding in December 2016 for overnight lighting, but not to lighting levels considered bright enough for Cambridge's needs as a city. This resulted in a saving of £45,500 (GFS3939) on the budget which the City Council had allocated in order to keep the lights on in all areas of the city. A separate bid (GFB3988) has been included in the BSR to allow the city centre, historic core and residential areas to be lit to 80% between 10pm and 2.00 am and at 60% until dawn with the aim of increasing safety.

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

X Residents

X Visitors

X Staff

A specific client group or groups (please state):

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

X New

X Revised

X Existing

5. Responsible directorate and service

Service: The Finance service manages the budget process, but a range of Council services are responsible for the individual bids included in this EqIA.

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

X Yes - This is an assessment of the Council's budget and therefore covers all of our services. The budget also affects some of the Council's partnership working, notably with Cambridgeshire County Council, and it has a potential impact on the voluntary and community sector.

7. Potential impact

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

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

B3906 - Air Quality Project Support Officer (Scientific Officer - 50% FTE 2 years) – This proposal will benefit the elderly and very young, as they are more likely to be negatively impacted by poor air quality.

C3944 - Footbridge across Hobson's Brook at Accordia Development - The proposed bridge installation will benefit people of all age groups through enabling greater access to facilities (including allotments, the Addenbrookes area and local natural habitats) and improved access linkages to other areas of the city. In particular, it will provide improved access for young children and parents and guardians to the play area.

7. Potential impact

C3904 - Reilly Way Play Area redevelopment – This project will have a positive impact on young children by improving and increasing play provision, including adding new swings, multi activity units and safety surfacing.

C3983 - Ditton Fields Play Area refurbishment - This project will have a positive impact on young children by improving and increasing play provision, including installing a trampoline, wobbly bridge, and a two bay swing unit including cradle seat.

GFS3907 – Customer Service Transformation –Older people may find changes to the phone system difficult to follow. The automated switchboard has been implemented with options available for customers to exit the self-serve system to speak to an advisor. The triage service now proposed will also be implemented with care to ensure that it has a positive and not a negative impact.

GFC3919 Abbey Pool - Outdoor Fitness Zone - The outdoor fitness equipment has been designed for use for those 14 years of age and above. The equipment will have a number of classes taking place which can include those that may need some additional assistance. This should have a positive impact.

GFC URP3900 - Changes to the calculation of holiday pay, reflecting recent case law - There will be a positive impact across all age groups eligible for holiday pay - 50% of all staff are in pay bands 1 – 4. Staff at pay scale point 29 and above could receive overtime paid at plain rate. The revised holiday pay calculation would not impact on Senior Management grades where overtime, enhanced rates or standby and call out is not paid. 70% of staff aged between 19-24 fall within pay grades 1 -4, so although there will be a positive impact across all age ranges, the change to holiday pay calculation could have a particular positive impact on this group of staff.

C3941 – Mobile technology (Office Accommodation Strategy) - In addition to the mobile technology required to support SMART working, a cultural change will also be required. It is possible that staff who have worked in a particular way for a longer period may find it more difficult to move to SMART working and may require more support as a consequence. This may be more likely to apply to older members of staff, but it could apply to staff across all age bands depending on personal circumstances and preferences. The Council is currently carrying out a survey of staff to inform the SMART working programme, which will provide more evidence about: how, where and when staff currently work; the technologies and processes they use in their roles; and about the Council's working culture.

GFB3988 - Street lighting contribution - This bid would provide a funding contribution needed to raise street lighting levels overnight above those proposed by the County Council in December 2016. The city centre, historic core and residential areas would be lit to 80% between 10pm and 2.00 am and at 60% until dawn. If this helps older and younger people to feel safer going out in the evenings, this would have a potentially positive impact for these groups.

(b) Disability

B3906 Air Quality Project Support Officer - This proposal will benefit those with existing health conditions, especially those with cardio-vascular problems, as they are more likely to be negatively impacted by poor air quality.

C3944 Footbridge across Hobson's Brook at Accordia Development - The provision of an even access ramp as part of the footbridge will result in fewer level changes and trip hazards. This will improve access for disabled people and those with mobility problems.

B3977 Sharing Prosperity Fund - The allocation of additional funding to the Sharing Prosperity Fund will allow the Council to extend or expand successful pilot projects, or new projects which support the objectives of the Anti-Poverty Strategy. The Anti-Poverty Strategy identifies that residents with a disability are more likely to be on a low income:

7. Potential impact

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

In particular, projects funded through the SPF that are aimed at improving the mental and physical health of residents on low incomes are likely to have a positive impact on residents with disabilities.

GFS3907 - Customer Service Transformation – The proposed triage system may have beneficial impact in further speeding up call answering.

GFC3919 Abbey Pool - Outdoor Fitness Zone - The outdoor equipment is inclusive and can be used by those with disabilities. The equipment is easily accessible with surfacing suitable for wheelchairs, so it will have a positive impact.

(c) Gender

GFC URP3900 - Changes to the calculation of holiday pay, reflecting recent case law.

Of our staff, 47% are female and 53% are male. Women continue to be more highly represented than men in pay bands 4, 6, 8 and 9. Men are now more highly represented than women in Bands 1 and 3.

Staff who undertake paid overtime, standby and call out duties or are paid enhanced rates for weekend working across all grades would benefit from a revised holiday pay calculation. There will be a positive impact across both genders. No negative impact has been identified.

(d) Pregnancy and maternity

B3906 - Air Quality Project Support Officer (Scientific Officer - 50% FTE 2 years) – This proposal may benefit pregnant mothers, as there is some evidence indicating that poor air quality can lead to low birth weight in babies.

(e) Transgender (including gender re-assignment)

No differential impact has been identified from the budget proposals

(f) Marriage and Civil Partnership

No differential impact has been identified from the budget proposals

(g) Race or Ethnicity

GFC URP3900 - Changes to the calculation of holiday pay, reflecting recent case law.

There will be a positive impact across all staff. No negative impact has been identified. As at 31st March 2016, 6.18% of all staff declared themselves to be BAME (Black, Asian and Minority Ethnic). In relation to pay bands, 68% of staff declaring themselves to be BAME, were in pay bands 1 - 4 and are eligible for overtime and could be eligible for enhanced rates and standby and call out. Therefore, the change to holiday pay calculation may have an even more positive impact on this group of staff.

(h) Religion or Belief

C3974 – Acquisition of land adjacent to Huntingdon Road crematorium - Improvement works along the A14 will move the current entrance of the crematorium and the Highways Agency will provide a new access road at no cost to the Council. The proposed location of the new entrance would have resulted in the loss of a part of the crematorium site that has been used for the scattering of ashes by people of any faith or belief. The Council is taking the opportunity to purchase a previously inaccessible parcel of land which will allow the entrance to be moved to a different location, which will mean that there will no longer be any impact on the area where ashes are currently scattered.

(i) Sexual Orientation

No differential impact has been identified from the budget proposals

(j) Other factors – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

B3906 - Air Quality Project Support Officer - Poor air quality is most likely to impact negatively those on low incomes who are less able to make choices about their living environment, so are more likely to be living in environmentally degraded conditions, such as alongside busy roads with high levels of air pollution. An overall improvement in air quality in Cambridge, as well as a targeted improvement at roadsides, will provide a health benefit to low income groups.

A recent paperⁱⁱⁱ in Environmental Pollution noted higher concentrations of air pollutants in the most deprived 20% of neighbourhoods in England and concluded that measures to reduce these inequalities should include focus on transport in urban areas. Increasing staff capacity will allow the Council's Environmental Health service to better support current transport-related air quality initiatives, including Low Emission Taxis, Electric Vehicle Charging Infrastructure, City Deal and Quality Bus Partnership.

B3977 Sharing Prosperity Fund - It is likely that this bid will have a positive impact on low income groups, as the funding will be used to support projects which will contribute to the delivery of the objectives of the Council's Anti-Poverty Strategy. This will include the extension and expansion of successful pilot projects, or new projects to meet identified needs for low income residents.

GFC3919 Abbey Pool - Outdoor Fitness Zone - The Abbey ward has recently been classified as the most deprived ward in the City in the recent IMD ratings for 2015. The Abbey ward also has some of the highest mapped obesity and sedentary behaviours across the City. This range of equipment is easy to use and will be free of charge to use at all times. Community groups will be able to use the equipment and bring together different ages and abilities of users. The Sports Development in house team alongside other health providers will also be able to help the local community and residents to undertake exercise and activities. Improved facilities should lead to a positive impact in the local area.

GFC URP3900 - Changes to the calculation of holiday pay, reflecting recent case law.

This is anticipated to have a positive impact on low-income groups who may work hours which attract overtime and enhanced rates.

C3941 – Mobile technology (Office Accommodation Strategy) - The personal circumstances of individual members of staff will need to be taken into account when considering SMART working options as part of the Office Accommodation Strategy. For some staff that have caring responsibilities, either for children or for elderly or other family members, working from home may not be an appropriate option, as it could create a conflict between work and the needs and expectations of those being cared for. However, for other members of staff with caring responsibilities, providing the technology needed for more flexible working could give them the benefit of greater options about where, when and how they work.

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

It is difficult to gauge the overall impact of the budget bids for 2017 -2018, as some projects are already in progress, while others have yet to be fully developed fully and are listed here to indicate an intention for further consideration.

Overall the budget could have positive affects for people with the following characteristics:
Age, Disability and those on a lower income.

The mitigation plans have either been identified in the main body of this EqlA or are listed in the individual EqlAs supplied as part of the budget process. These EqlA mitigation action plans are available on request from Suzanne Goff.

9. Sign off

Name and job titles of assessment lead officers: Suzanne Goff, Corporate Strategy Officer, and David Kidston, Strategy and Partnerships Manager

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

- **GFB3906** - Air Quality Project Support Officer – Lead Officer – Jo Dicks
- **GFB3977** - Sharing Prosperity Fund – Lead Officer – David Kidston
- **GFC3974** - Acquisition of Land adjacent to Huntingdon Road Crematorium – Lead Officer James Elms
- **GFC39304** - Reilly Way Play Area redevelopment – Lead Officer – Sarah Tovell
- **GFS3907 Customer Service Transformation** – Lead Officer – Clarissa Norman
- **GFC3919 Abbey Pool - Outdoor Fitness Zone** – Lead Officer - Ian Ross
- **GFC URP3900** - Changes to the calculation of holiday pay – Lead Officer Deborah Simpson

Date of completion: 13 February 2017 2016

Date of next review of the assessment: December 2017

Action Plan

Date of completion: All actions that have been identified are detailed within the individual EqIAs and copies of these are available on request by contacting the bid authors or Suzanne Goff (Suzanne.goff@cambridge.gov.uk)

Equality Group	Age
Details of possible disadvantage or negative impact	The assessment indicates a need to ensure engagement and support is provided to older staff when adopting SMART working. Older workers may also be less likely to have the technology necessary to work from home.
Action to be taken to address the disadvantage or negative impact	Design into service transition plans consultation with staff and individual assessments for the potential and suitability to work flexibly, from other locations or from home
Officer responsible for progressing the action	Line Managers of staff impacted
Date action to be completed by	Before transition

Equality Group	Disability
Details of possible disadvantage or negative impact	The assessment indicates a need to assess whether any reasonable adjustments may be required for staff with disabilities when adopting SMART working.
Action to be taken to address the disadvantage or negative impact	Design into service transition plans consultation with staff and individual assessments: <ul style="list-style-type: none"> the potential and suitability to work flexibly, from other locations or from home any reasonable adjustments that may be required to facilitate flexible working, from other locations or from home
Officer responsible for progressing the action	Line Managers of staff impacted
Date action to be completed by	Before transition

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

ⁱⁱ Scope, 2014, Disability Facts and Figures

ⁱⁱⁱ Fecht, D. et al. (2014) Associations between air pollution and socioeconomic characteristics, ethnicity and age profile of neighbourhoods in England and the Netherland, Environmental Pollution <http://dx.doi.org/10.1016/j.envpol.2014.12.01>

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Council Meeting

23 February 2017

Agenda Item 5 (b)

**Budget Papers 2017/18
Liberal Democrat Group Amendment**

RECOMMENDATION TO COUNCIL
(Liberal Democrat Amendment)

Budget-Setting Report (BSR) 2016/17

Recommendations of the Executive, which met on 21 January 2016, are set out below (now incorporating amendments which were considered at Strategy and Resources Scrutiny Committee on 8 February 2016) and the resulting effects and financial implications have been incorporated into the Budget-Setting Report (Version 1 Strategy & Resources) with ***Lib Dem amendments in bold italics.***

Unless otherwise specified, all references in the recommendations to appendices, pages and sections relate to the updated version of the Budget-Setting Report (Version 1 Strategy & Resources). This can be found via the Council agenda page:

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

Accordingly, Council is recommended to:

General Fund Revenue Budgets: [Section 5, Page 28 refers] add:

- ***Together with the changes in the attached Lib Dem Budget Amendment to Appendices [B a-d]***
- ***Recommend to the Licensing Committee that the Council waives private hire licence fees in respect of electrically powered vehicles (EPV) for five years for both new and licence renewals up to 31 March 2021, to cover all such new EPV licences for a period of 5 years, acknowledging that any shortfall in income so created within the Public Control account will be met from the General Fund (Budget proposal B0005 refers)***
- ***Call upon the Executive to increase parking charges by such individual sums as to achieve an increase of 2% overall in car parking income (Budget proposal I10001 refers)***

Capital: [Section 7, page 33 refers]

- For the existing recommendation 2 f) After “Agree any recommendations to the Executive add ***“together with the changes in the attached Lib Dem Budget Budget Amendment to Appendix [D(a)]”, specifically to recommend that Executive Councillor for Planning Policy & Transport to include this project in the Council's capital process.***
- For the existing recommendation 2 g) After “Agree the revised Capital Plan add ***“together with the changes in the attached Lib Dem Budget Amendment to Appendix [D(a)]”, subject to the Executive Councillor for Planning Policy & Transport’s decision as above Liberal Democrat Budget Amendment 2016/17 - Page 3 of 26***

Earmarked Reserves [Section 4, Page 19 and Section 5, Page 31 refers]

- ***To amend the existing remit for the Invest for Income Fund and to add a new earmarked reserve for street lighting as detailed in Annex 1 attached***

Equality Impact Assessment

Append *Lib Dem Budget Amendment Appendix F Equality Impact Assessment* to the existing Equality Impact Assessment

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To: Executive Councillor for Finance & Resources
Report by: Head of Finance
Relevant scrutiny committee: Strategy & Resources 13 February 2017
Wards affected: All Wards

LIBERAL DEMOCRAT GROUP AMENDMENT TO:

Budget-Setting Report (BSR) 2017/18

Key Decision

Foreword to the Liberal Democrat Group Amendment

The financial plight of Cambridge City Council is often exaggerated in response to things its leaders do not have a priority for. But the fact is, Cambridge is not a poor council, unlike many elsewhere.

We remain supporters of the council's necessary transformation strategy, which we started in the first place. We welcome the increasing activity on some, but not all relevant aspects of mitigating Climate Change, including our proposal which was voted down in last year's budget for new rapid charging points to encourage a switch to electric vehicles.

However we believe the Labour budget has got some important things wrong and has missed others entirely.

We propose that the Council responds positively to the interesting work led by Cambridge Past Present and Future in challenging us with a vision for the city's underplayed and increasingly shabby **Market Square**. It is on just this type of project that people look to their council to take the lead and it is disappointing that it has stepped aside. We are offering the means to bring the public and many stakeholders together and make a plan for action.

We seek to change the council's investment priorities from buying up out-of-town retail parks to providing housing. **Housing** is the really big strategic need of people working and trying to live in Cambridge, all the better if we can provide it more affordably than the private market does. Housing should not be something that only the government pays for and it is odd that the council is ignoring the potential for combining a social return with a financial return on its own money.

We offer a plan for charging for the city council's **car parks** which is joined up with wider transport policy, unlike what is currently proposed. Reducing the cost of city centre car parking provides an incentive to bring cars into the city, when we should be making it easier for people to consider alternative ways of getting there. If there's car park income that can be foregone, then we should divert it to help eliminate the County Council's parking charges at their Park and Ride sites – and we should seek to work together across councils to give the public what makes sense.

We are increasingly alarmed at the council's complacency about **trees**. Despite our arguments last year, admirable - and necessary - aspirations to increase the city's tree cover still go completely unfunded. It now seems that the council may actually be planting fewer new trees than it is losing older ones. For a second year we bring forward schemes to put the council and city on a better path.

We propose a series of measures to ensure people can feel **fully included** in Cambridge, where, for different reasons, there are concerning trends in the wrong direction. Whether it's connecting young people better to our democracy, refugees and asylum seekers better to the hospitality the city wants to offer, rough sleepers to a supportive hand up from the streets, or boat dwellers to a sense of security on our river – our aim is inclusivity and participation.

We also bring forward a series of small schemes particularly relevant to the city's current period of growth. Public benefit, costing millions, has been agreed with developers for public art, country parks and community facilities, and we want the public to know how to access and enjoy it them. Conversely, because things do go wrong when development pressure is so great, we offer a provision towards a stronger planning enforcement approach from the city council.

For funding, our proposals draw on that part of the Council's General Fund reserves that are budgeted to be above the agreed risk-based safety margin, and would otherwise be unused. Some items of limited duration and with a relationship to the growth of the city are funded from otherwise uncommitted New Homes Bonus.

Tim Bick – Leader of the Liberal Democrat Group

Rod Cantrill – Liberal Democrat Group Spokesperson on Finance and Resources

1. Executive summary

- 1.1 This report sets out amendments proposed by the Lib Dem Group to the overall set of budget proposals which were agreed by the Executive at its meeting on 26 January 2017, for recommendation to Council on 23 February 2017, subject to any Executive Amendment agreed by The Leader at this committee.

1.2 The Lib Dem Group budget amendment:

- Enables the Council to develop a plan to revitalise the Market Square, involving the public and other stakeholders
- Provides specialist assistance to refugees and asylum seekers who come to Cambridge outside organised programmes, supporting the Council's agreed ambition to be a City of Sanctuary
- Provides for a strengthening of the Council's Planning Enforcement function in the face of continued development pressure
- Reinforces progression of rough sleepers off the streets, through hostels and into sustainable tenancies through a pioneering peer support scheme among the homeless and recently homeless community
- Increases awareness of the two new country parks at the south west edge of the city, celebrating these publicly accessible extensions to the city's 'green fingers'
- Brings together an online catalogue of public art across the city, capitalising on willingness among developers to contribute
- Strengthens on-the-ground monitoring and supervision of organised events on public open spaces, to enforce contract conditions and avert damage to the fabric
- Adopts the Children's Tree Programme in partnership with city primary schools, providing for all year 4 pupils to receive the gift of a young tree for them to plant
- Enables the Council to halt the gradual loss of trees in public spaces by at least matching loss of old trees with planting of new ones, without reducing plant healthcare for the existing stock
- Brings together a database helping the public to find and access community facilities across the city, whether publicly or privately managed
- Spearheads an effort to help older teenagers engage in the democratic process by increasing their understanding participation
- Revises planned city council parking charges: cancelling reductions on Mondays and Tuesdays and instead eliminating P&R parking charges on the same days; following the council's guideline for inflation increases Wednesdays to Fridays; and freezing the price of short stays up to noon on Sundays
- Capping future increases to charges for river moorings to the Council's general policy for publicly payable fees, currently set at 2%
- Re-directs £10m of Council investment from commercial property to provide a social as well as a financial return through the provision of more housing at sub-market rents

2. Recommendations

2.1 Changes to recommendations are highlighted *in italics*.

Recommendations of the Executive to this Council, as agreed at their meeting on 26 January 2017, subject to any Executive Amendment agreed by The Leader at this committee are further amended as follows:

For the existing recommendation “2: Recommendations”, add:

General Fund Revenue Budgets: [Section 5, Page 28 refers] add:

- *Together with the changes in the attached Appendix 1 - Lib Dem Budget Amendment to Appendices [C a-c]*
- Incorporate and replace the tables shown in *Appendix 4 – Lib Dem Budget Amendment at the pages so annotated*
- *Call upon the Executive Councillor for Planning Policy & Transport to increase or amend parking charges by such individual sums as to achieve the budget proposals relating to parking income (Proposals B0006, I10001 and I10002 refer)*
- *Call upon the Executive Councillor for Finance & Resources to limit annual increases in moorings charges to a maximum of 2% per annum (Proposal B0008 refers)*

Capital: [Section 7, page 33 refers]

- For the existing recommendation 2 f) After *“Agree any recommendations to the Executive add “together with the changes in the attached Appendix 2 - Lib Dem Budget - Budget Amendment to Appendix [E(a)]”, specifically to recommend that Executive Councillor for Finance & Resources amends the Commercial Investment programme investment strategy from 100% Commercial property to 50% Commercial Property and 50% investment in Sub-market Housing by means of a Loan to the Council’s housing company. (Proposals C0001 and R10001 refer)*

Equality Impact Assessment [Appendix G, Page 90 refers]

- Append *Appendix 3 - Lib Dem Budget Amendment Appendix G Equality Impact Assessment to the existing Equality Impact Assessment*

3. Council Tax

3.1 No changes are being proposed by the Lib Dem Group.

4. Capital

The Lib Dem Group are proposing items identified “**Lib Dem Budget Amendment to [D(a) Capital proposals]**”

5. 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

The financial implications are outlined in the Budget Setting Report 2017/18, **as amended by [Lib Dem Budget Amendment]**

(b) Staffing Implications

See text above

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment is included at Appendix G in the attached Budget Setting Report 2017/18, **as amended by [Appendix 3 - Lib Dem Budget Amendment]**

(d) Environmental Implications

Where relevant, officers have considered the environmental impact of budget proposals.

(e) Procurement Implications

Any procurement implications will be outlined in the Budget Setting Report 2017/18, **as amended by [Lib Dem Budget Amendment]**

(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 2017/18, **as amended by [Lib Dem Budget Amendment]**

(h) Section 25 Report

These budget amendments would not require any substantive changes to the existing Section 10 – Section 25 Report.

There are three types of amendment:-

- General Fund (GF) revenue amendments – spending proposals are partially matched by income generation from car parking. The switch from 100% commercial property investment to 50% commercial and 50% residential will bring an additional pressure for the financial year 2018/19.

It should be noted that changes to parking charges are subject to a decision by the Executive Councillor for Planning Policy and Transport. If this is forthcoming, the revenue spending proposals are affordable and overall the proposals have a modest negative impact on general fund reserves. In addition, the proposal to meet the cost of Park & Ride parking charges on Monday and Tuesday is subject to current County Council budget amendments which may have a beneficial impact on the proposed budget position [i.e. the County Council will cancel parking charges]. Total parking income may, however, be affected by general economic conditions, as noted in the BSR, Appendix D – Sensitivity Analysis.

- Spending proposal funded from New Homes Bonus (NHB)
 - Market Square Renewal
 - Planning Enforcement Support
 - Public Awareness Of New Country Parks
 - Awareness Of Public Art
 - Children's Tree Programme
 - Community Facilities Database
- These proposals are currently affordable based on projections of NHB funding. However, these projections rely on the delivery of additional housing in line with the housing trajectory presented in the Annual Monitoring Report. The projections also assume no further changes to the basis of calculation of NHB funding. Considerable uncertainty still exists in this regard, with further consultations expected on limiting NHB funding where no Local Plan has been submitted and where houses are built following appeal. Furthermore,

government may alter the deadweight percentage applied within the calculation, with knock-on effects on funding receivable. Therefore, there is a risk that there will be insufficient NHB funding to support this additional spending or that agreements may be made with partners which alters the spending priorities of this funding.

I therefore consider, in relation to the budget resulting from the application of this amendment, that the estimates for the financial year 2017/18 to be sufficiently robust and the financial reserves up to 31 March 2018 to be adequate.

**Caroline Ryba
Head of Finance and S151 Officer**

6. Background papers

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

- Budget-Setting Report 2017/18 Version 1, February 2017 (covering 2016/17 to 2021/22) **as updated at Strategy and Resources Scrutiny Committee on 23 January 2017, the Executive meeting on 26 January 2017 and for the [Lib Dem Amendment].**
- Medium-Term Financial Strategy (MTFS) 2016
- Individual Equality Impact Assessments

7. Appendices

Lib Dem Budget Amendment:

Appendix 1 - Amendment to Appendix [C (a) to (c)] Revenue Budget proposals

Appendix 2 - Amendment to Appendix [E (a)] Capital Budget proposals

Appendix 3 - Appendix [G] Equality Impact Assessment (Supplement)

Appendix 4 - Replacement of relevant tables in the BSR

8. 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

2017/18 Budget - GF - Bids, Savings and External Bids
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Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
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Appendix [C (a) - GF - Pressures]

Bids

B0001	Support To Refugees And Asylum Seekers In Cambridge (3 Years)	5,000	10,000	10,000	5,000	0	Lynda Kilkelly	Strategy & Transformation
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Commissioning an advice worker at 10 hours per week to provide an independent hub within the not-for-profit sector to provide specialist guidance to refugees and asylum seekers, including signposting to other sources of assistance. The world is experiencing a massive displacement of people through war, repression and climate change and the UK can expect to face increasing demands for sanctuary on humanitarian grounds. The City Council, together with other public and voluntary organisations is making an important contribution through the government's limited programme to host 20,000 occupants of Syrian camps. However other asylum seekers and refugees outside this formal scheme continue to arrive in Cambridge, with 41 finding their way to the Cambridge Ethnic Community Forum during 2016. The forum's current capability to respond to this need will disappear in October 2017. The bid provides for the part-time worker, office, training and material costs for 3 years.

Nil

Medium
Impact

2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
B0002	<p>Peer Mentoring Support For Single Homeless People (3.5 Years)</p> <p>Addictions and mental ill health are obstacles to a large proportion of rough sleepers progressing off the streets, through the hostel system and in sustaining independent tenancies. The achievement of government grant funding to establish a local team of clinicians, able to work on these issues with individuals on the street and as they secure accommodation, is a very positive step to address this situation. However, the route to rehabilitation and stability requires a high level of personal motivation and tenacity; failure in this stalls progress and frustrates medical help even when available – and this frequently occurs. There is longstanding evidence that mutual support of the kind practiced in Alcoholics Anonymous brings real value in boosting morale and reinforcing commitment. Locally, past victims of homelessness have shared with officers the importance to their recovery of assistance from someone – not necessarily a paid professional – who took time to listen and support, especially if they had “been there themselves”. Application of this approach has recently been recommended by professionals in the local “Enduring Needs Group”.</p> <p>This bid funds an initial 3 month project to research and design a volunteer peer mentoring network within the homeless community, followed by provision for 3 years of an ongoing 0.5FTE grade 5 position to recruit, train and co-ordinate a voluntary citywide peer mentoring scheme, transcending and complementing support through particular accommodation and professional agencies.</p>	25,000	20,000	20,000	10,000	0	James McWilliams	Housing
							Nil	
							High Impact	
B0003	<p>Supervision Of Events On Public Open Spaces</p> <p>With the increase in use of public open spaces for events organised by third parties, there is a need for the Council’s supervision to keep pace, so as to ensure compliance with contractual commitments and minimise wear and tear of the public asset. This item provides for the appointment of an additional 0.5FTE SCP Band 4 position to be deployed with a seasonal loading, typically including Friday-Monday. This would improve on-site presence during build-up and take-down as well as monitoring during events. From year 2 year it is expected that the cost could be partly offset by reduced overtime of existing employees and fee recovery, from which smaller, local, non-commercial events would be excluded.</p>	16,000	8,000	8,000	8,000	8,000	Alistair Wilson	Streets & Open Spaces
							Nil	
							No impact	

2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
B0004	Public Realm Tree Replacement	16,000	16,000	16,000	16,000	16,000	Matthew McGrath	Streets & Open Spaces
	<p>The rate of loss and removal of trees on public land managed by the City Council currently surpasses the rate of replacement that can be afforded from the current planting budget of £9,000. Officers believe that among other factors, the rate of loss has increased due to heat stress as a manifestation of climate change. Without an increase in this planting budget there will be a slow reduction in tree stock in the public realm, totally in the wrong direction from the Council's tree strategy which seeks to increase tree cover in the city. As things stand, the gap can only in practice be closed by utilising the maintenance budget for planting, thereby reducing activity to support plant health and the potential lifespan of the existing tree stock. This bid increases the annual public realm planting budget to £25,000; a level where replacement planting can be afforded at the same rate of the forecast rate of loss without reducing maintenance (an additional £11,000), together with a further amount of £5,000 to enable past losses to be made good and tree stock to be increased. Alongside this additional funding, officers will explore the potential to seek practical help, where forthcoming, from local residents groups in implementing agreed maintenance programmes for young trees.</p>						Medium positive	No impact
B0005	Older Teenagers' Involvement In Democracy (3 Years)	30,000	30,000	30,000	0	0	Debbie Kaye	Communities
	<p>Turnout of young people in the recent referendum on Europe was markedly lower than amongst other groups, and it is obvious that engagement in local politics, be it emailing councillors or attending committee meetings, typically is slanted towards older voters. This item funds an officer post for three years on a pilot basis to engage young adults in all aspects of democratic decision making in Cambridge – concentrating on how new voters can raise issues with local councillors, MPs and MEPs, highlighting decisions relevant to them and to their college that might come to area committee and so on. Current efforts via ChYPPS are focused on younger residents of Cambridge, whereas this post would initially seek to engage those in the 16-19 age range. It is envisaged that this would predominantly be via schools, sixth form colleges, Cambridge Regional College and similar institutions in Cambridge, regardless of where they live.</p>						Nil	No impact

2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
B0006	Parking Charges On Sundays In The Grand Arcade	35,000	35,000	35,000	35,000	35,000	David Edwards	Planning Policy & Transport
	<p>This item removes the proposed increases of up to 30% in the Grand Arcade car park for stays of under two hours up to 12 noon on Sundays, in recognition of the needs of city centre churches whose congregations are spread across the city and its surrounding area and which have difficulty relying on bus services at the time of services. This item assumes the Executive Councillor agreeing to revisit his decision in respect of car park charges and a new consultation taking place during March.</p>						Low Negative No impact	
B0007	Provision Of Free Parking At Cambridge Park And Ride Sites On Mondays And Tuesdays	271,000	271,000	271,000	271,000	271,000	Graham Hughes (Cambs CC)	Planning Policy & Transport
	<p>This item provides for the City Council to meet the costs of the County Council in return for the removal of its parking charge at Park & Ride sites on Mondays and Tuesdays. It is based on the current average proportion of weekly revenue for those days as a share of the County Council's total annual budget of £1.1m for their income. It provides an alternative to reduced pricing of city centre car parks as a means of making trips to the city centre more attractive on these quieter days, without encouraging more cars into the city centre. [This item is linked to item I1001]</p>						Low Positive No impact	
B0008	Moorings Charges	0	0	0	0	0	Alistair Wilson	Finance & Resources
	<p>The City Council introduced a moorings policy in relation to the management of moored boats along the River Cam in 2010. The objective was to provide a clear, fair policy that enabled the Council to manage its moorings in a sustainable way which met the needs of boat owners and mooring users, balanced with the recreational and residential needs of others. The policy sought to establish a fee structure that ensured that the costs incurred to provide council services to moored boats were fully covered, together with providing the council with a small surplus. In addition, the fee structure was linked to an inflation index, in order to provide boat owners with certainty regarding future financial costs. The proposal seeks to continue this accepted approach and to cap future mooring fee raises to a maximum of 2% per annum.</p>						Nil Low Impact	

2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
RI0001	Difference Between Residential Property Investment For Sub Market Rent And Commercial Property Investment	62,000	250,000	63,000	63,000	63,000	David Prinsep	Finance & Resources
	Difference in income yield to the Council in relation to the decision to invest £10m of the £20m allocated for a commercial property investment into purchasing housing stock for 80% sub market rent [see related capital item C0001]. As a result the gross income yield on the investment has been adjusted from 5.5% to 3.4% (Net 2.5% and 2.2%) to reflect the change in strategy, with income from residential property commencing in 2019/20.						Low Positive	
							No impact	
	Total Bids & Reduced Income	460,000	640,000	453,000	408,000	393,000		

Total Bids & Reduced Income

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2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
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Appendix [C (b) - GF - Savings]

II0001	Parking Charges On Mondays And Tuesdays	(223,000)	(223,000)	(223,000)	(223,000)	(223,000)	David Edwards	Planning Policy & Transport
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It is consistent with local transport strategy that city centre car parking charges should encourage use of alternative sustainable modes of transport, in particular Park & Ride. If charges are reduced on these days as planned, bringing private vehicles into the city centre becomes relatively more attractive versus the alternatives, introducing a contradictory incentive from which the council's income, the city's air quality and environment and its congestion problems all suffer.

Nil

This item reverses the proposed reduction of up to 20% in parking charges for Mondays and Tuesdays and instead would freeze them. This item is linked to item B0007 and assumes the Executive Councillor agreeing to revisit his decision in respect of car park charges and a new consultation taking place during March.

No impact

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II0002	Parking Charges On Wednesdays, Thursdays And Fridays	(79,000)	(79,000)	(79,000)	(79,000)	(79,000)	David Edwards	Planning Policy & Transport
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(79,000)	(79,000)	(79,000)	(79,000)	(79,000)
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David Edwards	Planning Policy & Transport
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It is consistent with local transport strategy that car parking charges should encourage use of alternative sustainable modes of transport, in particular Park & Ride. If charges are not increased at least in line with charges for other council services, bringing private vehicles into the city centre becomes relatively more attractive versus the alternatives, introducing a contradictory incentive from which the council's income to support services, the city's air quality and environment and its congestion problems all suffer.

Nil

This item increases the parking charges for Wednesday, Thursday and Friday by an average of 2%, subject to rounding, in line with the Council's general policy for fees and charges, instead of freezing them as is currently proposed. It assumes the Executive Councillor agreeing to revisit his decision in respect of car park charges and a new consultation taking place during March.

No impact

Total Savings & Increased Income

(302,000)	(302,000)	(302,000)	(302,000)	(302,000)
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All Portfolios - Net Impact of Lib Dem Amendment

158,000	338,000	151,000	106,000	91,000
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2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
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Appendix [C (c) - GF - External Bids]

X0001	Market Square Renewal (2 years)	100,000	125,000	25,000	0	0	Suzanne McBride	Environmental Services & City Centre
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Provision for the development of a plan to realise the full potential of the historic market square as an important and attractive public space at the heart of the city, enhancing and incorporating the successful market itself. The recent work led by the city's leading civic society, Cambridge Past Present and Future together with architects Freeland Rees Roberts, should be treated as a major contribution in this process. The aim is to define, through consultation with the public and other stakeholders, a shared aspiration which is feasible, deliverable and costed; which exploits relevant third party funding support and any suitable income generation opportunities, and is ready for submission into the capital programme and for planning approval. An implementation plan should also be prepared to ensure a satisfactory transition.

This project and the planned preparation of a Supplementary Planning Document for Space and Movement in the wider city centre will be synchronised in such a way to inform and improve each other. It is expected that the County Council, Cambridge BID, the market traders, Cambridge Live, Visit Cambridge and surrounding property owners/tenants, as well as Cambridge PPF, will be among the key contributors and partners in this exercise.

This bid provides the capacity that is currently not available in the City Council to undertake a holistic, multi-disciplinary project of this kind, which is complex and challenging in terms of marrying up aspiration, feasibility and funding. It is costed as the engagement of an experienced public realm project manager at Head of Service level for two years from mid 2017/18, together with a provision for the acquisition of specialist elements of the work not available from within the council's existing staff. The project direction will be steered and monitored by a small member panel.

[Funded from New Homes Bonus]

Nil

No impact

2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
X0002	Planning Enforcement Support (1 year)	20,000	0	0	0	0	Sarah Dyer	Planning Policy & Transport
	<p>Those who develop properties are expected to obtain planning permission where it is required, to respect the terms of their approval and to discharge any conditions that are imposed. The extent of development pressure in Cambridge emphasises the need for effective enforcement. The Director of Planning proposes to review delegations to ensure officers are in a position to secure prompt and decisive outcomes. Alongside, this bid provides a fund of £20,000 to enable the progression of "pro-active" or "default" enforcement action to be undertaken in cases where negotiation and enforcement action have failed to secure compliance. It would be operated as an evergreen revolving fund, subject to annual carry forward, enabling costs to be met for dismantling whilst awaiting recovery, typically after some delay. The fund would initially also be drawn upon to support a study to explore the local application of the Proceeds of Crime Act to pursue financial penalties for unauthorised residential uses, to add to sanctions available.</p> <p>[Funded from New Homes Bonus]</p>						Nil	
X0003	Public Awareness Of New Country Parks (2 years)	2,500	5,000	2,500	0	0	Alistair Wilson	Streets & Open Spaces
	<p>Two major new country parks have been created on the southern edge of Cambridge, providing public access to additional recreational resources and new wildlife-rich landscapes. These have emerged as a direct dividend from the building of the urban extensions at Clay Farm and Trumpington Meadows, planned and developed over the past 15 years.</p> <p>This item provides for raising awareness across the city of these two valuable assets through a two-year programme of publicly advertised guided walks and publication of leaflets available in public and community places. It would commence mid-year and be targeted where possible at a full range of different age and interest groups. It is costed as 0.1 FTE at grade SCP Band 4 (to be either staffed from within the council or through commissioning equivalent work externally), plus a budget for literature and advertising.</p> <p>[Funded from New Homes Bonus]</p>						Nil	
							No impact	

2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
X0004	Awareness Of Public Art (5 years)	13,000	3,000	3,000	3,000	3,000	Alistair Wilson	Streets & Open Spaces
	<p>A large amount of custom-designed public art across the city has been provided through contributions made by developers, either in kind or through financial contributions which have been agreed in the planning process. Representing a substantial investment, it includes a spectrum of work from nationally recognised to locally discovered artists, yet is nowhere publicly catalogued in a way it can be easily identified and its story known.</p> <p>A number of developers have indicated a willingness to contribute financially to the design and creation of a publicly accessible on-line catalogue, but for this to be broadened and crystallised, the catalyst of a commitment from the council is required to assemble and edit photographic and textual content and publish it on the website, both for the historic backlog and future works. So far as possible data would be published in an open format with appropriate licensing along Creative Commons lines, so that third party projects can re-use the information with ease.</p> <p>This item makes budgetary provision for this activity in terms of 0.4FTE declining to 0.1 after the first 12 months at SCP Band 4, to be activated contingent on agreement between an adequate number of developers for the funding of the start-up website design. [Funded from New Homes Bonus]</p>						Nil	No impact

2017/18 Budget - GF - Bids, Savings and External Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
X0005	Childrens' Tree Programme (5 Years)	25,000	25,000	25,000	25,000	25,000	Matthew McGrath	Streets & Open Spaces
	<p>The Council's adopted tree strategy, which remains unfunded, envisages a growth of the city's tree cover of 2% by 2030 in order to reduce air pollution, mitigate the effects of climate change and contribute to human wellbeing. Given the pattern of land ownership in the city area, this is unlikely to be achieved without an increase on residential land. This programme seeks participation of the city's primary schools enabling a gift of a young tree to each year 4 primary pupil, for planting at home, a designated part of the public realm or school premises, integrated with education for the recipients about the importance of trees to the environment and about techniques of planting and maintenance. Considerable enthusiasm about this programme has been expressed by schools since it was first made last year. It has the potential to increase the city's tree stock by 5,000 over 5 years. It is based on a unit cost of £20 per tree, including logistics plus an allowance of £5,000 for co-ordinating the scheme with the schools. [Funded from New Homes Bonus]</p>						Medium positive	No impact
X0006	Community Facilities Database (5 years)	7,000	5,000	5,000	5,000	5,000	Jackie Hanson	Communities
	<p>During the recent review, a list of 107 current locations providing full-time community facilities and a large number of similar part-time facilities was produced by the Community Services team. This item makes provision for a public, online database that holds this information. Future applicants for Section 106/Community Infrastructure Levy grants and other council funding will be asked to agree to contribute to this database by responding to regular requests from the council for updated information. The database should, as far as is possible, include publication of data in an open format and appropriate licensing of data along Creative Commons lines, so that third party projects can reuse the information with ease. [Funded from New Homes Bonus]</p>						Nil	No impact
All Portfolios - Net Impact of External Bids		167,500	163,000	60,500	33,000	33,000		

Appendix 2

Lib Dem Budget Amendment to Appendix [E (a) Capital proposals]

2017/18 Budget - GF - Capital Bids

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact / Climate rating / Poverty rating	Portfolio
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Planning Policy & Transport Portfolio

Capital

C0001	Switch of Commercial Property Investment Strategy To Residential	0	0	0	0	0	David Prinsep	Finance & Resources
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Cambridge continues to be an extremely challenged market for people seeking to buy and rent residential property. The City Council, as a key stakeholder in the city is in a position to assist in addressing this issue. This item reallocates £10m of the funds set aside for commercial property investment to extend a loan to the Council's wholly owned housing company for the purchase of approximately 30 properties at the Mill Road Depot for rental at a 80% sub market rent. These will be in addition to the already planned homes at social rents. [linked to revenue item RI0001]

Nil
Low impact

Portfolio Total

0 0 0 0 0



Cambridge City Council Equality Impact Assessment

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

Liberal Democrat Budget proposals 2017/18

2. What are the objectives/ purposes and context of your strategy, policy, plan, project, contract or major change to your service?

The Liberal Democrats budget amendment makes a number of alternative budget proposals to those set out by the ruling group in the Budget Setting Report. This EqlA has been carried out by Council officers to provide Councillors with an assessment of the potential equality impacts of the Liberal Democrat budget proposals at the point when they are being asked to make a decision, as required by the Public Sector Equality Duty under the Equality Act 2010.

Some proposals in the Liberal Democrat budget amendment will have very small or neutral impacts on equality and therefore have not been included in this EqlA. For other proposals there is not enough information at this stage on the proposal to be able to assess equality impacts.

The proposals that have an identifiable positive or negative impact on equality are:

- Support to refugees and asylum seekers in Cambridge
- Peer mentoring support for single homeless people
- Public awareness of new country parks
- Children's tree programme
- Community facilities database
- Young adult's involvement in democracy
- Parking charges on Sundays in the Grand Arcade

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

- X Residents
X Visitors
X Staff

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

- X New
X Revised
X Existing

5. Responsible directorate and service

Service: The Finance service manages the budget process, but a range of Council services would be responsible for the individual proposals included in this EqIA, if they were implemented.

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

X Yes (please give details): This is an assessment of proposed amendments to the Budget Setting Report and therefore covers many Council services. The budget also affects some of the Councils partnership working, notably with Cambridgeshire County Council, and it has a potential impact on the voluntary and community sector.

7. Potential impact

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

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

Children’s tree programme: This proposal could have a positive educational outcome for children, as it aims to teach children about the importance of trees for the environment and how to plant and maintain trees.

Young adult’s involvement in democracy: This proposal could have a positive impact in helping young people understand and engage in local politics and promote social inclusion. The project is designed to help young people be more vocal in raising issues pertinent to them, which could help to improve services and ensure that they are better tailored to young people’s needs. It could also help encourage young people to engage with national politics, where their engagement is often low. For example, 64% of 18 to 24 year-olds did not vote in the EU referendum.

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

Peer mentoring support for single homeless people: By providing support for rough sleepers with addiction and mental health issues, this proposal could have a positive impact in relation to disability. The government’s last recorded statistics for rough sleepers (Autumn 2016), report that 68% of rough sleepers had substance abuse issues (alcohol and/or drugs) and/or mental health issues. Thirteen per cent were reported as having all three issues.

(c) Gender

Peer mentoring support for single homeless people: The project focuses on supporting rough sleepers progressing off the streets, through the hostel system and into sustaining independent tenancies. According to official national estimates, 88% of rough sleepers are men (Autumn 2016 statistics), so it is likely that the proposal would have a positive impact for men. However, women who sleep rough or are homeless are often ‘hidden’ in official statistics, so the proposal may have a positive impact on more women than statistics would suggest. Crisis reports that rough sleeping can be very dangerous for homeless women and many are physically attacked, verbally abused and sexually assaulted. Women who are rough sleeping are therefore more likely to want to remain invisible, and are less likely to access support and help that they need.

(d) Pregnancy and maternity

No differential impact has been identified from the budget proposals

(e) Transgender (including gender re-assignment)

No differential impact has been identified from the budget proposals

(f) Marriage and Civil Partnership

No differential impact has been identified from the budget proposals

(g) Race/ ethnicity/ nationality

Support to refugees and asylum seekers in Cambridge: The proposal could have a positive impact on asylum seekers and refugees in Cambridge who are not supported by the Government's scheme for Syrian refugees, which the City Council and other public and voluntary organisations are helping to deliver. It could enable Cambridge Ethnic Community Forum to continue to provide the level of practical advice and support to refugees that it provides. The proposal notes that during 2016, Cambridge Ethnic Community Forum supported 41 refugees outside the formal system.

Peer mentoring support for single homeless people: According to the most recent official national statistics (Autumn 2016), more than half of people sleeping rough are non-UK nationals (about 59%). It is likely therefore that, by providing support for homeless people, this proposal would have a positive impact for non-UK nationals.

(h) Religion or Belief

Parking charges on Sundays in the Grand Arcade (removing the increase of up to 30% for one and two hour stays up to 12pm): The proposal suggests that by maintaining car parking prices at current levels on Sunday mornings, this could benefit attendees at churches in the city centre, whose congregations are spread across the city and its surrounding area. The proposal suggests that churchgoers may have less access to alternative forms of travel, because there is a reduced bus service on a Sunday, and from some surrounding areas there are no buses at all.

(i) Sexual Orientation

No differential impact has been identified from the budget proposals

(j) Other factors – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

Some of the proposals will have a positive impact on low income residents, and these impacts are highlighted in the poverty assessment scores provided with the main text of the proposals.

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

From information currently held in relation to the proposals, there could be positive impacts of some proposals in relation to age, disability, gender (for men), race/ethnicity and religion. There would be limited or no differential impacts for women, pregnancy/maternity, transgender, marriage and civil partnership and sexual orientation.

9. Sign off

Name and job title of assessment lead officer: Helen Crowther – Equality and Anti-Poverty Officer – Corporate Strategy

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

- David Kidston - Strategy and Partnerships Manager - Corporate Strategy
- Elaine Shortt – Senior Grants Officer - Community Services
- Emily Watts – Electoral Services Support Officer - Corporate Strategy
- Vicky Breeding - Electoral Services Manager – Corporate Strategy

Appendix 4

Lib Dem Budget Amendment – Replacement Tables

New Homes Bonus (BSR, pages 20/21 refers)

New Homes Bonus	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Confirmed NHB funding at February 2016 BSR	(6,332)	(4,801)	(2,947)	(1,360)	-	-
<i>Add</i>						
Confirmed NHB receipts for 2017/18	-	(1,161)	(1,161)	(1,161)	(1,161)	-
Estimated NHB receipts for 2018/19	-	-	(1,302)	(1,302)	(1,302)	(1,302)
Estimated NHB receipts for 2019/20	-	-	-	(1,274)	(1,274)	(1,274)
Estimated NHB receipts for 2020/21	-	-	-	-	(610)	(610)
Estimated NHB receipts for 2021/22	-	-	-	-	-	(952)
Potential New Homes Bonus Total	(6,332)	(5,962)	(5,410)	(5,098)	(4,348)	(4,139)
Commitments against NHB						
Funding for officers supporting growth e.g. within planning	785	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	564
Public Realm Officer - Growth X3782	35	35	35	-	-	-
Direct revenue funding of capital	1,075	1,075	1,075	1,075	1,075	1,075
Contribution to A14 mitigation	-	-	-	1,500	-	-
Further approvals	-	400	-	-	-	-
A14 mitigation contribution funded from reserved amounts	-	-	-	(1,500)	-	-
Contribution to City Deal Investment and Delivery Fund	3,166	2,385	2,164	2,039	1,739	1,656
Total commitments against NHB	5,625	5,244	4,623	4,463	4,163	4,080
<i>Net Impact of the Liberal Democrat Amendment</i>	-	167	163	61	33	33
NHB uncommitted	707	551	624	573	151	25
NHB reserved for A14 mitigation	707	551	242	-	-	-
NHB uncommitted	-	-	382	573	151	25
<i>Cumulative amounts reserved for A14 mitigation</i>	707	1,258	1,500	0	0	0

Appendix 4

General Fund Projection (BSR, page 33 refers)

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Expenditure						
Net service budgets	20,222	18,255	18,013	19,685	17,903	18,845
<i>Revenue Budget Proposals - BSR</i>	-	<i>661</i>	<i>16</i>	<i>(415)</i>	<i>(459)</i>	<i>(474)</i>
Capital accounting adjustments	(5,423)	(5,423)	(5,423)	(5,423)	(5,423)	(5,423)
Capital expenditure financed from revenue	3,599	2,264	1,564	1,786	1,786	1,786
Contributions to earmarked funds	9,176	6,140	5,757	3,962	5,303	4,426
Revised net savings requirement	-	235	(238)	(316)	(561)	(560)
Net spending requirement	27,574	22,132	19,689	19,279	18,549	18,600
Funded by:						
Settlement Funding Assessment (SFA)	(5,864)	(5,090)	(4,675)	(4,235)	(4,235)	(4,235)
Locally Retained Business Rates – Growth Element	(800)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	-	-	-	-	-	-
New Homes Bonus (NHB)	(6,332)	(5,962)	(5,410)	(5,098)	(4,348)	(4,139)
Appropriations from earmarked funds	(1,409)	-	-	(1,505)	-	-
Council Tax	(7,353)	(7,807)	(8,178)	(8,448)	(8,773)	(8,983)
<i>Contributions to / (from) reserves</i>	<i>(5,817)</i>	<i>(2,473)</i>	<i>(627)</i>	<i>807</i>	<i>(392)</i>	<i>(443)</i>
Total funding	(27,575)	(22,132)	(19,690)	(19,279)	(18,548)	(18,600)

General Fund Reserves (BSR, page 41)

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Balance as at 1 April (b/fwd)	(16,012)	(10,194)	(7,721)	(7,094)	(7,901)	(7,509)
Contribution (to) / from reserves	5,817	2,314	289	(958)	286	352
Impact of Lib Dem Budget proposals	-	<i>159</i>	<i>338</i>	<i>151</i>	<i>106</i>	<i>91</i>
Balance as at 31 March (c/fwd)	(10,194)	(7,721)	(7,094)	(7,901)	(7,509)	(7,066)

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CIVIC AFFAIRS 15 February 2017

Minute to Follow

As the Committee does not meet until the evening of 15 February (the day of agenda publication), the minute will be published and circulated prior to the Council meeting.

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CAMBRIDGE CITY COUNCIL

REPORT OF: Head of Human Resources

TO: Civic Affairs Committee
Council

15/2/2017
23/2/2017

WARDS: All

DRAFT PAY POLICY STATEMENT 2017/18

1 INTRODUCTION

- 1.1 This report sets out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31st March each year.
- 1.2 The pay policy statement covers posts designated 'chief officer'. For Cambridge City Council this includes the chief executive, directors and heads of service. The areas to be covered in the statement are: salary, expenses, bonuses, performance-related pay, severance payments, how election fees are paid and the pay policy on re-engagement of ex-employees. The Localism Act also requires the statement to define the lowest paid employees and the ratio to the highest earning employee.
- 1.3 The Civic Affairs Committee are asked to note that the Pay Policy Statement 2017/18 includes updates to salary scales following the nationally agreed two year pay award for the chief executive, directors and heads of service at JNC1 and JNC 2. This was implemented with effect from 1 April 2016 and was one per cent on basic salary with effect from 1 April 2016 and one per cent on basic salary with effect from 1 April 2017.
- 1.4 This report includes the proposal to change the designation of the JNC 2 pay grade to be called Band 11.

2. RECOMMENDATIONS

The Civic Affairs Committee is asked to:

- 2.1 Consider and recommend to Council the draft Pay Policy Statement 2017/18 attached as Appendix 1.
- 2.2 To recommend to Council to delegate authority to the Head of Human Resources to implement the change of designation of the grade JNC 2 to Band 11.

3. PROPOSED CHANGE TO PAY SCALES – REDESIGNATION OF JNC 2 AS BAND 11

- 3.1 Following the introduction of the new senior Management Structure in 2016, which led to fewer head of service roles and the creation of new lead roles in shared services, where Cambridge City are the employing authority, we have established that we need more flexibility in the Council's grading structure for senior posts than is currently available. We believe we do not need to create a new grade, particularly as we introduced Band 10 in 2016 but we need more flexibility when posts are not heads of service but are senior roles.
- 3.2 It has previously been a condition of JNC 1 and JNC 2 posts that these are at head of service level. We therefore propose to re-designate the existing grade of JNC2 as Band 11, and to use this grade for posts which may not be heads of service.
- 3.3 The JNC 2 grade currently has four pay points and it is proposed that these remain unchanged when the grade is re-designated Band 11; £56,784, £59,023, £61,262, and £63,465.
- 3.4 We now have 13 head of service posts, 2 new posts on Band 10, and one new post recently assessed as being equivalent to a head of service role under the job evaluation scheme, the shared lead for building control.
- 3.5 The City Council has two main sets of terms and conditions, one for the majority of staff covering ten Bands (Band 1-10), on National Joint Council terms and conditions (NJC) and the second covering heads of service, directors and the chief executive, ranging from JNC2 to Chief Executive on Joint Negotiating Committee (JNC) terms and conditions of employment. It is proposed that new posts within Band 11 will be on the same terms and conditions of employment as

posts within the range Band 1 to Band 10, except in relation to incremental progression within the pay scale.

- 3.6 Progress through Band 11 will remain subject to performance in accordance with the senior management performance review (appraisal) scheme. The incremental progression on this grade has larger steps than within Bands 1 to 10, of approximately £2200 per increment. The normal progression under the senior management scheme is designed for incremental progression on a two yearly, not annual basis, as is the case with Bands 1-10. Progression can be accelerated to one year for exceptional performance.
- 3.7 As with other senior management posts, for the purposes of job evaluation, the HAY job evaluation scheme will be used.
- 3.8 Attached as Appendix 2 is a chart showing the current pay ranges for 2016 and 2017 and the proposed change of JNC2 to Band 11.

4. CONCLUSIONS

- 4.1 If we do not re-designate JNC 2 as Band 11, it would continue to exist as a head of service level grade with potentially no heads of service on it. We may in future be creating new shared service management posts which report to current heads of service or Directors, but the posts are not undertaking the same role as heads of service. Using Band 10 only could lead to recruitment difficulties and increased use of market supplements, which are temporary in nature.
- 4.2 Our current pay structure of heads of service on JNC2 and JNC1 has served us well since 2003/4, but with the introduction of more shared services and the changes to the senior management structure it now needs to change. In 2016 we introduced a new grade of Band 10, below the head of service level to assist with this. We are now in a different environment of shared services and where there are fewer heads of service but where we have a need for new levels of senior manager reporting to a head of service or Director.
- 4.3 We do not need to fundamentally change our pay structure but we do need the flexibility to be able to use an existing grade between Band 10 and JNC 1 in a different way.

5. CONSULTATIONS

- 5.1 The Chief Executive, Strategic Directors, Head of Legal Practice, Head of Finance, Support Services Manager and Democratic Services Manager have been consulted on this report and the attached draft Pay Policy Statement.

5.2 The trade unions have been consulted on the proposed re-designation of JNC2 to Band 11.

6. **IMPLICATIONS**

(a) **Financial Implications**

There are no financial implications arising from this the report.

(b) **Staffing Implications**

This report relates to the pay, terms and conditions of staff.

(c) **Equality and Poverty Implications**

EQIA's were undertaken for the pay, terms and conditions review in 2012 and for the introduction and review of the Living Wage Policy. A separate EQIA has not been prepared for this report.

We will monitor the implementation of use of the proposed Band 11.

Equality information by grade is reported annually to the Equalities Panel and is available on the Council's website.

(d) **Environmental Implications**

The proposal has no climate change impact.

(e) **Procurement**

The Living Wage Policy as it relates to contractors is included in the Pay Policy Statement.

(f) **Consultation and communication**

This pay policy statement once approved by Full Council will be published on the Councils website.

Approval of the re-designation of JNC 2 to Band 11 grade will be communicated to all staff and the pay scales will be updated.

(g) **Community Safety**

This report relates to the pay, terms and conditions of staff and does not impact directly on community safety matters.

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

- Pay Policy Statement 2016/17
- Provisions of the Localism Act relating to chief officer pay statements
- Communities and Local Government Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012 and Supplementary Guidance February 2013.
- Local Government Association Localism Act: Pay Policy Statements Guidance (November 2011) and Supplementary Notes 1 and 2.
- City Council Pay scales

To inspect these documents contact Deborah Simpson, Head of Human Resources on extension 8101.

The author and contact officer for queries on the report is Deborah Simpson, Head of Human Resources on 01223 458101.

Report file:

Date originated: 07 February 2017

Date of last revision: 07 February 2017



Pay Policy Statement 2017/18

Scope

This pay policy statement covers the posts of the chief executive, all directors and all heads of service.

The Council is an accredited Living Wage Employer and this statement incorporates the Council's policy on the UK Living Wage.

The Council has a number of apprenticeship opportunities and there is a statement relating to apprenticeships.

Salary

The current salary scales for the chief executive, directors and heads of service, following nationally agreed pay awards in 2016, are shown below. They are shown with effect from 1 April 2016 and 1 April 2017.

Progression through the pay band (a four point scale) is subject to a range of criteria that are currently assessed via the annual performance review.

Chief Executive	(01.04.16)	£109,725	114,385	119,038	123,728
	(01.04.17)	£110,822	115,529	120,228	124,965
Strategic Director	(01.04.16)	£84,642	87,985	91,323	94,666
	(01.04.17)	£85,488	88,865	92,236	95,613
Head of Service					
JNC1	(01.04.16)	£65,705	67,943	70,147	72,385
	(01.04.17)	£66,362	68,622	70,848	73,109
JNC2	(01.04.16)	£56,784	59,023	61,262	63,465
	Band 11	(01.04.17)	£57,352	59,613	61,875
				61,875	64,100

2015/16 Review of Salary levels

The Council has an agreement that senior officer pay scales will be reviewed every three years in line with current median level pay.

The pay scales were reviewed in 2015; the outcome of this review was a recommendation of no change at a locally negotiated level to the pay ranges for the posts of Chief Executive, Director and Heads of Service on JNC 1 and JNC 2 grades.

As part of this review, new grade of Band 10 was introduced in 2016.

Revised Pay Grade – Band 11

It is proposed to re-designate the existing grade JNC 2 as Band 11 with effect from 1 April 2017.

The Band 11 will be as the existing JNC 2 salary range. With effect from 1 April 2017 will be £57,352 to £64,100, with four separate pay points of £57,352, £59,613, £61,875 and £64,100.

New posts within Band 11 will be on the same terms and conditions of employment as posts within the range Band 1 to Band 10, with the exception of the incremental performance and job evaluation, which will be as for other senior management roles.

Pay Awards

Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives and the Joint Negotiating Committee (JNC) for Chief Officers.

With effect from 1 April 2016 there was a nationally negotiated pay award of 1% for Directors and Heads of Service on JNC1 and JNC 2 in accordance with the Joint Negotiating Committee (JNC) for Chief Officers and the same level of pay award for Chief Executives in accordance with the Joint Negotiating Committee (JNC) for Chief Executives. The pay awards covered the period to 31 March 2018 and were for 1% on basic salary with effect from 1 April 2016 and 1% on basic salary with effect from 1 April 2017.

Terms and Conditions of Employment

The terms and conditions of employment for the chief executive, directors and heads of service within the scope of this pay policy statement are determined in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers, as set out in the Scheme of Conditions of Service. These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

Remuneration on Recruitment

Recruitment to the posts of chief executive and director is undertaken by a committee of councillors appointed by Council, but in the case of the chief executive, the appointment is made by Full Council, following a recommendation from the Employment (Senior Officer) Committee. The salary on recruitment will be within the current salary range for these posts at that time.

Recruitment to posts of head of service is undertaken by the chief executive or a director and is subject to notification to Executive Councillors before a job offer can be made. The salary on recruitment will be within the current salary range for these posts at that time.

There are occasions when the salary determined by the grading for a post results in an inability to successfully recruit to or retain staff in particular posts or specific occupational areas, due to fluctuations in the labour market supply. These recruitment and retention problems can affect ability to deliver services. In such cases it may be appropriate to pay a market supplement in addition to the salary where there is evidence to justify that market factors are the “material reason” for the post attracting a higher rate of pay than other posts graded similarly. Any additional market supplement will be made in accordance with the Market Pay Policy.

Rules governing the recruitment of the chief executive, directors and heads of service are set out in the councils constitution in section; Part 41, Officer Employment Procedure Rules

Bonuses

There are no bonus arrangements payable to the chief executive, directors or heads of service.

Performance Related Pay

Performance and progression through the pay band is assessed annually in line with the Council’s performance review schemes. For the chief executive and directors, performance is assessed by a panel of councillors, the Chief Officer Performance Review Working Party. For heads of service, performance is assessed by their director.

There is no performance related pay scheme outside of the performance review scheme, which determines the salary point of an officer, within the salary scale set out above.

Salaries over £100,000

The post of chief executive is the sole post which carries a salary range of over £100,000.

Publication of salary data

Salary data for the chief executive, directors and heads of service is published on the council’s website, in the Open Data, Transparency in local government, senior salaries or Senior Council Officers sections.

For the chief executive and directors this includes name, job description and actual salary, and for the chief executive, expenses and any election fees paid. For the heads of service this includes salary by post title.

This pay policy statement once approved by Full Council will be published on the Councils website.

Expenses

The expenses which may be payable to the chief executive, a director or head of service include:

- car/bicycle/motorcycle allowances at HMRC rates
- re-imbursment of travel and subsistence
- one professional subscription per annum

- payments under the eye sight tests scheme
- relocation assistance in accordance with the Relocation Scheme

Severance Payments

Severance payments are made in accordance with the council's employment policies and are the same for all staff.

Employees with more than two years service will be entitled to redundancy pay in line with local government guidelines and statutory provisions. Redundant employees may receive the following elements in their final pay:

- Normal pay up to the agreed leaving date
- Where applicable, payment in lieu of outstanding notice
- Severance payment (where entitled).

Under the council's redundancy scheme a weeks pay will be calculated on the basis of actual contractual pay. Additional benefits are not included. Cambridge City Council will not apply the statutory weeks pay definition.

Employees in the pension scheme and who are over age 55 are entitled to immediate onset of pension benefits based on actual reckonable service if:

- They are over 55 at the termination date
- They meet the two years vesting period in the Local Government Pension Scheme (LGPS)

Once an employee is in receipt of early payment of pension benefits, if their total pay and pension benefits together (if reemployed by another employer covered by the Local Government Modification order) exceeds their salary as at the leaving date, the difference may be claimed back from pension payments.

An employee will lose their entitlement to redundancy pay if they take up a post with another body covered by the Redundancy Payments (Local Government) (Modification) (Amendment) Orders within 4 weeks of the date of the redundancy and the offer of the new job has been made before the end of the original contract.

The chief executive, monitoring officer and chief finance officer can only be dismissed by the full council. All other directors and heads of service can only be dismissed in accordance with the Councils constitution, Part 41, Officer Employment Procedure Rules.

Any proposals with a salary or severance package with a total value over £100k will be reported by the Employment (Senior Officer) Committee to Full Council for decision.

Pension and Pension Enhancements

The employees within the scope of this pay policy are entitled to and receive pension contributions from the Local Government Pension Scheme (LGPS). This is a contributory scheme and they currently contribute between 8.5% and 11.4% of their pensionable pay to the scheme.

The employer contribution rate is currently 17.4% i.e. the council contributes 17.4% of pensionable pay to the pension of a member of staff within the pension scheme. The rate of 17.4% is the same for all staff. The rate is reviewed every 3 years following a valuation of the fund by the appointed actuaries. The next review will be in 2019, with the outcome effective for 2020/21.

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement 2014. This policy was approved by the Civic Affairs Committee on the 25 June 2014. The policy was reviewed in line with the requirement that Council officers review the statement every 3 years and / or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council), and any recommended changes will go before Civic Affairs for approval. The next review will be in 2017.

Pay Ratios

Relationship to lowest paid and Chief Executive and median average of employees

The lowest paid staff within the Council's pay structure are on Band 1. For this reason we have chosen staff employed on Band 1 as our definition of the 'lowest paid' for the purposes of this policy. Band 1 currently ranges from £14,975 to £16,481 per annum, with effect from 1 April 2017 it will be £15,375 to £16,781.

There was a nationally negotiated pay award for staff on NJC grades with effect from April 2016, for 2 years.

The terms and conditions of employment for Band 1 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as the Green Book). These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

Pay policies which apply to Band 1 employees include:

- car/bicycle/motorcycle mileage at HMRC rates
- re-imburement for travel and subsistence
- overtime/enhanced rates
- standby and callout arrangements
- one professional subscription per annum
- payments under the eye sight tests scheme
- Travel scheme (where applicable)

The highest paid officer of the council is the chief executive, with a current salary of £123,728. The chief executive's current salary scale runs from £109,725 to £123,728, with effect from 1 April 2017 it will be £110,822 to £124,965.

The ratio between the current highest and lowest pay points is: - 1:8.3

With effect from 1 April 2017 the ratio between the highest and lowest pay points is: - 1:8.1

The ratio of the chief executive's current salary and current the lowest pay point is - 1:8.3

The current median average salary of all Cambridge City Council staff is - £27,394

The ratio of the chief executive's current salary to the current median average salary is - 1:4.5

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

Living Wage

The Council has adopted a Living Wage policy for staff, agency workers and contractors engaged through the Council's Procurement processes.

The Council will pay the UK Living Wage rate for Cambridge City Council staff, by way of a supplement to pay rates.

The Council will pay the minimum of the UK Living Wage rate to agency workers after 4 weeks of their engagement with the City Council.

The Council will require contractors engaged through the Council's procurement processes to deliver services on Council premises to pay their employees/sub-contractor employees who work on the premises for 2 or more hours on any day in a week for 8 or more consecutive weeks in a year at least the UK Living Wage rate. The only contracts that will be excluded from the requirement to pay the Living Wage are:

- contracts where it would be unlawful to require the payment of the UK Living Wage
- contracts where, following evaluation, it is considered inappropriate to impose the requirement.

The UK Living Wage is £8.45 per hour (£16302 per annum).

Pay Ratios and the Living Wage

The pay ratios based on the UK Living Wage of £8.45 are as follows:

The ratio between the highest pay point and the living wage is – 1:7.6

The ratio of the chief executive's current salary and the living wage is - 1:7.6

The median average salary of all Cambridge City Council staff (including the living wage supplement) is £27,394

The ratio of the chief executive's current salary to the median average salary, including the living wage supplement is -1:4.5

Apprentices

The Council has engaged a number of apprentices. The apprentice roles have been created by services as development opportunities, to support the apprenticeship

programme. These roles do not replace existing posts and are outside of the Living Wage policy.

The national apprentice rates are currently £3.40 for the first year, and for the second year they are age related: £4.00 (at age 16-17), £5.55 (at age 18-20) and £6.95 (at age 21 and over).

Cambridge City Council pay the age related national apprentice wage for the duration of the apprenticeship.

Pay Ratios and Apprenticeships

The pay ratios based on the lowest pay rate for an apprentice at Cambridge City Council of £5.55 (for the first year) are as follows:

The ratio between the highest pay point and the apprenticeship rate is - 1:11.6

The ratio of the chief executive's current salary and the apprentice rate is - 1:11.6

The median average salary of all Cambridge City Council staff, including apprentices is £27,394

The ratio of the chief executive's current salary to the median average salary, including apprentices is -1:4.5

In the second year of an apprenticeship the salary rate increases in accordance with the persons age at that time.

Election Fees

The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. Elections fees are paid for these additional duties and they are paid separately to salary.

The Chief Executive is the council's Returning Officer.

The fees for Parliamentary, Police & Crime Commissioner, Euro Elections and national referenda are set by the Government. The fees for County Council elections are set by the County Council. The fees for the Combined Authority Mayoral election are set by the combined authority. The fees for Parliamentary and European Elections are pensionable.

Fees for district elections are set locally and current fees were agreed by the Civic Affairs Committee in April 2010 as £373 per contested ward and £55 per uncontested ward. Fees for district elections are pensionable.

Other officers, including senior officers within the scope of this policy, may receive additional payment for specific election duties."

Tax Avoidance

The Council takes tax avoidance seriously and will seek to appoint individuals to vacant positions using the recruitment procedures on the basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE.

Where consultants are recruited the Council will seek to avoid contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by that person, such as paying the individual through a company effectively, controlled by him or her.

These principles will be embedded in contract clauses and guidance for managers when employing consultants.

Re-engagement of ex City Council staff within the scope of this policy

All permanent or fixed term posts are advertised in accordance with the council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the council's procurement policies and the provisions for contract for services.

The council will not engage an ex city council member of staff within the scope of this policy outside of these arrangements.

Draft February 2017

Current Cambridge City Paybands				Proposed Cambridge City Paybands							
01/04/2016				01/04/2017				01/04/2017			
SCP	£	Band	Hour Rate £	SCP	£	Band	Hour Rate £	SCP	£	Band	Hour Rate £
9	£14,975	Band 1	£7.76	9	£15,375	Band 1	£7.97	9	£15,375	Band 1	£7.97
10	£15,238		£7.90	10	£15,613		£8.09	10	£15,613		£8.09
11	£15,507		£8.04	11	£15,807		£8.19	11	£15,807		£8.19
12	£15,823		£8.20	12	£16,123		£8.36	12	£16,123		£8.36
13	£16,191		£8.39	13	£16,491		£8.55	13	£16,491		£8.55
14	£16,481		£8.54	14	£16,781		£8.70	14	£16,781		£8.70
15	£16,772	Band 2	£8.69	15	£17,072	Band 2	£8.85	15	£17,072	Band 2	£8.85
16	£17,169		£8.90	16	£17,419		£9.03	16	£17,419		£9.03
17	£17,547		£9.10	17	£17,772		£9.21	17	£17,772		£9.21
18	£17,891		£9.27	18	£18,070		£9.37	18	£18,070		£9.37
19	£18,560		£9.62	19	£18,746		£9.72	19	£18,746		£9.72
20	£19,238		£9.97	20	£19,430		£10.07	20	£19,430		£10.07
21	£19,939	Band 3	£10.34	21	£20,138	Band 3	£10.44	21	£20,138	Band 3	£10.44
21	£19,939		£10.34	21	£20,138		£10.44	21	£20,138		£10.44
22	£20,456		£10.60	22	£20,661		£10.71	22	£20,661		£10.71
23	£21,057		£10.91	23	£21,268		£11.02	23	£21,268		£11.02
24	£21,745		£11.27	24	£21,962		£11.38	24	£21,962		£11.38
25	£22,434		£11.63	25	£22,658		£11.74	25	£22,658		£11.74
26	£23,166	Band 4	£12.01	26	£23,398	Band 4	£12.13	26	£23,398	Band 4	£12.13
26	£23,166		£12.01	26	£23,398		£12.13	26	£23,398		£12.13
27	£23,935		£12.41	27	£24,174		£12.53	27	£24,174		£12.53
28	£24,717		£12.81	28	£24,964		£12.94	28	£24,964		£12.94
29	£25,694		£13.32	29	£25,951		£13.45	29	£25,951		£13.45
30	£26,556		£13.76	30	£26,822		£13.90	30	£26,822		£13.90
31	£27,394	Band 5	£14.20	31	£27,668	Band 5	£14.34	31	£27,668	Band 5	£14.34
32	£28,203		£14.62	32	£28,485		£14.76	32	£28,485		£14.76
33	£29,033		£15.05	33	£29,323		£15.20	33	£29,323		£15.20
34	£29,854		£15.47	34	£30,153		£15.63	34	£30,153		£15.63
35	£30,480		£15.80	35	£30,785		£15.96	35	£30,785		£15.96
36	£31,288		£16.22	36	£31,601		£16.38	36	£31,601		£16.38
37	£32,164	Band 6	£16.67	37	£32,486	Band 6	£16.84	37	£32,486	Band 6	£16.84
37	£32,164		£16.67	37	£32,486		£16.84	37	£32,486		£16.84
38	£33,106		£17.16	38	£33,437		£17.33	38	£33,437		£17.33
39	£34,196		£17.72	39	£34,538		£17.90	39	£34,538		£17.90
40	£35,093		£18.19	40	£35,444		£18.37	40	£35,444		£18.37
41	£36,019		£18.67	41	£36,379		£18.86	41	£36,379		£18.86
42	£36,937	Band 7	£19.15	42	£37,306	Band 7	£19.34	42	£37,306	Band 7	£19.34
43	£37,858		£19.62	43	£38,237		£19.82	43	£38,237		£19.82
44	£38,789		£20.11	44	£39,177		£20.31	44	£39,177		£20.31
45	£39,660		£20.56	45	£40,057		£20.76	45	£40,057		£20.76
46	£40,619		£21.05	46	£41,025		£21.26	46	£41,025		£21.26
47	£41,551		£21.54	47	£41,967		£21.75	47	£41,967		£21.75
47	£41,551	Band 8	£21.54	47	£41,967	Band 8	£21.75	47	£41,967	Band 8	£21.75
48	£42,474		£22.02	48	£42,899		£22.24	48	£42,899		£22.24
49	£43,387		£22.49	49	£43,821		£22.71	49	£43,821		£22.71
50	£44,308		£22.97	50	£44,751		£23.20	50	£44,751		£23.20
51	£45,284		£23.47	51	£45,737		£23.71	51	£45,737		£23.71
52	£46,280		£23.99	52	£46,743		£24.23	52	£46,743		£24.23
53	£47,300	Band 9	£24.52	53	£47,773	Band 9	£24.76	53	£47,773	Band 9	£24.76
54	£48,343		£25.06	54	£48,826		£25.31	54	£48,826		£25.31
55	£50,500		£26.18	55	£51,005		£26.44	55	£51,005		£26.44
56	£52,015		£26.96	56	£52,535		£27.23	56	£52,535		£27.23
57	£53,530		£27.75	57	£54,065		£28.02	57	£54,065		£28.02
58	£55,045		£28.53	58	£55,595		£28.82	58	£55,595		£28.82
101	£56,784	JNC 2	£29.43	101	£57,352	JNC 2	£29.73	101	£57,352	Pay band 11	£29.73
102	£59,023		£30.59	102	£59,613		£30.90	102	£59,613		£30.90
103	£61,262		£31.75	103	£61,875		£32.07	103	£61,875		£32.07
104	£63,465		£32.90	104	£64,100		£33.22	104	£64,100		£33.22
105	£65,705	JNC 1	£34.06	105	£66,362	JNC 1	£34.40	105	£66,362	JNC 1	£34.40
106	£67,943		£35.22	106	£68,622		£35.57	106	£68,622		£35.57
107	£70,147		£36.36	107	£70,848		£36.72	107	£70,848		£36.72
108	£72,385		£37.52	108	£73,109		£37.89	108	£73,109		£37.89
109	£84,642	DIRECTOR	£43.87	109	£85,488	DIRECTOR	£44.31	109	£85,488	DIRECTOR	£44.31
110	£87,985		£45.60	110	£88,865		£46.06	110	£88,865		£46.06
111	£91,323		£47.34	111	£92,236		£47.81	111	£92,236		£47.81
112	£94,666		£49.07	112	£95,613		£49.56	112	£95,613		£49.56
113	£109,725	CEX	£56.87	113	£110,822	CEX	£57.44	113	£110,822	CEX	£57.44
114	£114,385		£59.29	114	£115,529		£59.88	114	£115,529		£59.88
115	£119,038		£61.70	115	£120,228		£62.32	115	£120,228		£62.32
116	£123,728		£64.13	116	£124,965		£64.77	116	£124,965		£64.77

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<p>SHADOW COMBINED AUTHORITY (Report by the Leader of the Council)</p>
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Update on the Shadow Combined Authority

In November 2016, Cambridge City Council and its partner authorities in Cambridgeshire and Peterborough agreed the Cambridgeshire and Peterborough Devolution Deal. The attached report provided the Strategy and Resources Committee with an update on the processes and progress towards implementation.

On 22 November 2016, Council noted that a report would be submitted to Civic Affairs making Officer proposals for scrutiny of its representative on the Combined Authority. The Civic Affairs Committee will consider how the Council's representative on the Combined Authority should be scrutinised.

The City Council has two places on the Combined Authority Overview and Scrutiny Committee which need to be agreed by Council (one Labour and one Liberal-Democrat). Two representatives have been nominated accordingly.

In the meantime, as the shadow Combined Authority has met twice (in December and January), the Leader of the Council will update Council at the February and April meetings on the Combined Authority and answer questions from Members.

Accordingly, Council is recommended to:

- i. Agree the appointments of Councillor Baigent and Councillor Bick; to the Overview and Scrutiny Committee of the Combined Authority.

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

Report by: Chief Executive

Relevant scrutiny committee: Strategy & Resources 23/1/2017
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

PROGRESS UPDATE ON DEVOLUTION

Not a Key Decision

1. Executive summary

- 1.1 In November 2016, Cambridge City Council and its partner authorities in Cambridgeshire and Peterborough, and the Greater Cambridge Greater Peterborough Enterprise Partnership all voted to agree the Cambridgeshire and Peterborough Devolution Deal.
- 1.2 As part of Cambridge City Council's decision, it was agreed to bring a report to this committee on progress.
- 1.3 Since those decisions, Parliamentary processes have been initiated to formalise the establishment of the Mayoral Combined Authority, implement the governance arrangements, and prepare for Mayoral elections on 4 May 2017.
- 1.4 This report provides an update on those processes and progress towards implementation.

2. Recommendations

- 2.1 The Executive Councillor is recommended to report the contents of this report to the scrutiny committee and provide a verbal update on any additional information at the meeting.

- 2.2 That the Leader of the Council and the Leader of the Lib Dem Group confirm their nominees to the Overview and Scrutiny Committee of the Combined Authority which will be ratified by Council on 23 February.

3. Background

- 3.1 Cambridge City Council considered proposals for devolution in East Anglia on 23 March 2016. It rejected proposals to enter a Mayoral Combined Authority for Cambridgeshire, Peterborough, Norfolk and Suffolk, but committed to negotiate for a deal that better suited the needs of Cambridgeshire and Peterborough.
- 3.2 These negotiations led to a proposal for a devolution deal for Cambridgeshire and Peterborough. Following consideration by the Council on 27 June 2016, the Leader agreed the recommendation to consult the public on the proposals.
- 3.3 Following public consultation on the proposals, Council held an extraordinary meeting on 22 November 2016. At that meeting, both the Council and the Leader agreed to proceed with the devolution deal as proposed. The Leader also agreed that a report on progress towards implementation would be brought to this committee.
- 3.4 A further progress update will be given orally by the Leader at Full Council on 23 February 2017, with the opportunity for councillors to ask questions of the Leader at that point. This report may be published as a background paper to that item on the Council agenda.

4. Progress to date

- 4.1 The next sections update the committee on the work which has taken place since the November Council meeting. The Leader and Chief Executive may provide further updates orally at the committee meeting.

Setting up the Combined Authority

- 4.2 The final draft Parliamentary Order was laid in Parliament on 19 December 2016, and is due to be debated in Parliament during January 2017. This will enable the Mayoral election to be held on 4 May 2017, combined with County Council elections.
- 4.3 The Shadow Combined Authority met for the first time on 14 December 2016. At that meeting it made the following decisions:

1. Electing Councillor Steve Count (Cambs County Council) as chair,

2. Confirming members of the shadow combined authority as the seven local authorities and the GCGP Enterprise Partnership, with the Cambridgeshire and Peterborough Clinical Commissioning Group, Cambridgeshire Fire Authority and Cambridgeshire Police and Crime Commissioner as observers to the Combined Authority.
 3. Conferring voting rights to GCGP Enterprise partnership
 4. Appointing Cllrs John Holdich (Peterborough) and Robin Howe (Huntingdonshire) as vice chairs;
 5. Appointing interim statutory officers – Paul Medd (Fenland) as Chief Executive, Kim Sawyer (Peterborough) as Monitoring Officer and John Harrison (Peterborough) as Section 151 officer.
 6. Approving interim procedure rules
 7. Approving shadow overview and scrutiny arrangements
- 4.4 The process to recruit a permanent Chief Executive, has commenced, with appointments expected by the end of February/early March.
- 4.5 The Shadow Combined Authority will meet again on 31 January. If the Parliamentary order is approved, the Combined Authority will meet formally for the first time in February. At that meeting it will approve its constitution and formalise membership and appointments.

Overview and Scrutiny in the Combined Authority

- 4.6 The Combined Authority (CA) will have an Overview and Scrutiny Committee as reported to Council in November. The Shadow Board received a report seeking authority to set up a shadow overview and scrutiny committee to assist in the development of the Combined Authority, and in particular the scrutiny arrangements, and to agree the process for nominating to the committee. They also noted the proposal to appoint a scrutiny officer to support the Committee. It was proposed that it should have 14 members. The Committee needs to be politically proportionate across the CA area and each local authority will be invited to nominate two Councillors as laid out in appendix A to this report to achieve that political balance
- 4.7 The City Council's representatives will be nominated by the leaders of the Labour Group and Liberal Democrat Group and confirmed by Council on 23 February 2017.
- 4.8 Proposals for scrutiny of the City Council's representative on the Combined Authority will be brought to Civic Affairs Committee on 15 February 2017, as recommended in the report to Council on 22 November 2016.

- 4.9 The Combined Authority's detailed standing orders have not been determined at the time of writing this update report. It is anticipated that members of the public will be able to ask questions as part of the arrangements that will be put in place.

Combined Authority workstreams

- 4.10 Officers from across the constituent councils and the GCGP Enterprise partnership have been working with nominated council Leaders to develop work plans across the topic areas covered by the deal. These are all at different stages of development and will report into the combined authority over coming months.
- 4.11 The GCGP Enterprise Partnership has commissioned work on an economic strategy that will provide the basis for Mayoral Combined Authority's economic plans and investments. That is currently anticipated to be ready for consideration by the time of the March meeting of the Combined Authority.
- 4.12 Work is also underway to consider how the Mayoral Combined Authority will relate to the Greater Cambridge City Deal, and to seek as much alignment and coherence in strategy and investment planning as possible between the City Deal, Combined Authority and LEP going forward.

Housing

- 4.13 There two pots of housing money covered by the devolution deal £100m for the wider geography and £70m ring-fenced for Cambridge.
- 4.14 An officer-led Housing Task Force across Cambridgeshire and Peterborough has been developing the business case for the £100m affordable housing fund. Meetings have been held every other week and the work of the group has been supplemented with input from specialist housing consultants. The aim is to get sign off of the draft business case by DCLG and Treasury Committee in February /March 2017. This is needed for the release of the £100m funds including draw down of an initial £20m of funding in the current financial year.
- 4.15 The £70m grant specifically for housing in Cambridge will be cross-referenced in the business case. Reports will be submitted to the Housing Scrutiny Committee in March 2017 on the first schemes to be brought forward under the programme, together with detail on the first two years of the five year programme. The legal agreement to form the Cambridge Investment Partnership, the Council's joint venture with Hill, has been signed and this will be the main delivery vehicle for the

investment of the £70m grant to provide 500 socially rented homes in Cambridge.

- 4.16 Alongside the development of the business case, ideas are also being developed about how the £100m and £70m fund and the associated development programme will be managed and monitored and how these arrangements will fit with the governance of the Combined Authority.

5. Implications

(a) **Financial Implications**

There are no financial implications of this update report. The financial implications of the devolution deal were set out in reports to Council in November, listed as background papers to this report.

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

There are no direct staffing implications from this update report. In addition to the statutory officers who have been formally appointed, “in-kind” officer support is going into the combined authority from a range of officers across the constituent councils in this initial transition period, including from the city council.

(c) **Equality and Poverty Implications**

There are no equality and poverty implications of this update report. An EqIA has not, therefore, been produced for this report, but a Communities Impact Statement has been produced for the devolution deal more widely, as linked to the November Council report.

(d) **Environmental Implications**

There are no environmental implications of this update report.

(e) **Procurement**

There are no procurement implications of this update report.

(f) **Consultation and communication**

There is no consultation planned on the contents of this report. The Combined Authority will continue to issue communications around progress with the devolution deal as appropriate.

(g) **Community Safety**

There are no community safety implications of this update report.

6. Background papers

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

[Council Report March](#)

[Council Report June](#)

[Council Report November](#)

Overview and Scrutiny Arrangements for the Shadow Combined Authority
[\[Report to the Shadow Combined Authority 14 December 2016, agenda item 7\]](#)

7. Appendices

Appendix A Spreadsheet detailing political proportionality of scrutiny committee

8. Inspection of papers

8.1 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

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CAMBRIDGE CITY COUNCIL

Record of Executive Decision

SERVER ROOM CONSOLIDATION

Decision of: Councillor Robertson, Executive Councillor for Finance and Resources

Reference: 16/URGENCY/SR/12

Date of decision: 8/11/16 **Recorded on:** 8/11/16

Decision Type: Key Decision

Matter for Decision: To agree a capital and revenue contribution to a 3C ICT project.

Why the decision had to be made (and any alternative options): This is explained in the officer report attached.

The Executive Councillor's decision(s): A capital budget of £502,000 to cover the Councils contribution of the cost of migrating to a consolidated datacentre solution including the costs of undertaking necessary upgrades to associated systems and software to be funded from reserves and

A one-off revenue contribution of £144,000 in respect of transitional cost incurred during the migration to be provided from existing IT Project Development budget.

Reasons for the decision: This is described in the officer report attached.

Part 4C section 6.1 of the Councils Constitution, permits decisions to be taken which are outside of the budget framework if the decision is a matter of urgency and it is not practical to convene a quorate meeting of the Council and the Chair of the Strategy and Resources Committee agrees the matter is of urgency.

The next available ordinary Full Council meeting is the 23 February 2017 which is too late.

Scrutiny consideration: The Chair and Spokesperson of the Strategy and Resources Scrutiny Committee were consulted prior to the action being authorised.
The Chair agreed that the matter was urgent

Report: An officer report detailing the background and financial considerations is attached.

Conflicts of interest: None

Comments: This urgent decision will be reported back to the next Full Council meeting on 23 February 2017.