

Public Document Pack

NOTICE OF COUNCIL MEETING - 13 JULY 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, 13 July 2017 at 6.00 pm and I hereby summon you to attend.

Dated 5 July 2017

Yours faithfully

A handwritten signature in black ink, appearing to read 'AP Jackson', with a large, stylized initial 'A'.

Chief Executive

Agenda

- 1 To approve as a correct record the minutes of the meeting held on 25 May 2017**
(Pages 9 - 22)
- 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 2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances (All Portfolios)**
(Pages 23 - 66)

4b Annual Treasury Management (Outturn) Report 2016/17
(Executive Councillor for Finance & Resources)
(Pages 67 - 88)

4c Council Office Accommodation - Approval of Capital Funding
(Executive Councillor for Finance & Resources)
(Pages 89 - 104)

5 To consider the recommendations of Committees for Adoption

5a Civic Affairs: Contract Procedure Rules Update
(Pages 105 - 152)

5b Civic Affairs: Special Responsibility Allowances
(Pages 153 - 168)

5c Planning Committee: Report Concerning Local Government
Ombudsman Complaint 16 002 481

Adoption minute to follow

(Pages 169 - 180)

5d Planning Committee: Report Concerning Local Government
Ombudsman Complaint 16 004 091

Adoption minute to follow

(Pages 181 - 192)

6 To deal with Oral Questions

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

7a Councillor Gehring: Air Quality in Cambridge

Council notes that in common with many towns and cities, air quality in parts of Cambridge periodically exceeds legal limits; that this has potentially serious public health consequences especially for children and the elderly from Nitrogen Dioxide and particulate matter; and that vehicle emissions, predominantly from diesel engines, are the leading contributor.

It believes that tackling this problem requires both national and local government to take complementary action.

Council regards national governments over a long period of time as having failed the public by actively encouraging the use of diesel vehicles and by presiding over a regulatory regime allowing deception by manufacturers.

Council welcomes the direction set for zero emission vehicles by the current government's recent draft plan to improve air quality; however it is disappointed that while it is full of examples of what local authorities can do, the commitment for necessary central government action is largely absent.

Council in particular calls on the government to establish urgently a national scrappage scheme for diesel vehicles to enable owners to respond rapidly to new deterrents to their use without financial loss.

Meanwhile Council welcomes measures being explored or undertaken locally:

- to consider a Clean Air Zone in Cambridge, potentially with financial penalties for polluting vehicles providing fair alternatives are in place;
- to encourage bus companies to acquire and operate lower emission vehicles
- to progressively convert this Council's fleet to electric vehicles
- to encourage taxi operators to purchase electric or hybrid vehicles
- to provide charging facilities for electric vehicles

It now also requests the Executive to bring reports on the following further measures which are or could be within our control, to change the behaviour of some drivers in allowing their vehicle engines to idle while they are out of traffic, which adds to air pollution:

- a general campaign on the practice as operated by Westminster City Council, and further consideration of an application for statutory enforcement powers, as adopted by Islington Borough Council;
- an increase in the levels of enforcement of existing rules against engine idling that lie in our own conditions for taxis and the County Council's Quality Bus Partnership.

8 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.

Information for the Public

Location

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

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

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

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

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

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

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

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

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COUNCIL25 May 2017
11.00 am - 4.00 pm

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

FOR THE INFORMATION OF THE COUNCIL**17/14/CNL To Elect a Mayor for the Municipal Year 2017/18**

Councillor Cantrill proposed and Councillor Sarris seconded the nomination of Councillor George Pippas as Mayor for the Municipal Year 2017/18.

Resolved (unanimously) that:

- i. Councillor George Pippas be elected for the Municipal Year 2017/18.

Councillor Pippas then made the statutory declaration of acceptance of the Office of Mayor.

17/15/CNL To Elect a Deputy Mayor for the Municipal Year 2017/18

Councillor Price proposed and Councillor T Moore seconded the nomination of Councillor Nigel Gawthrope as Deputy Mayor for the Municipal Year 2017/18.

Resolved that:

- i. Councillor Nigel Gawthrope be elected Deputy Mayor for the Municipal Year 2017/18.

Councillor Gawthrope then made the statutory declaration of acceptance of the Office of Deputy Mayor.

17/16/CNL To approve as a correct record the minutes of the meeting held on 23rd February 2017

The minutes of 23 February 2017 were confirmed as a correct record and signed by the Mayor.

17/17/CNL To Note the Returning Officer's Report that the following have been Elected to the Office of Councillor

It was noted the following had been elected to the Office of Councillor:

- Arbury: Patrick Sheil

17/18/CNL To Note the Appointment of the Mayor's Chaplain for the Ensuing Year

The Council noted the appointment of Father Dr Isidoros Katsos as the Mayor's Chaplain for the Municipal Year 2017/18.

17/19/CNL To Pass a Resolution of Thanks to the Outgoing Mayor

Resolved (unanimously), on the proposal of Councillor Roberts, seconded by Councillor Bick that:

- The Council expresses its appreciation of the manner in which the duties of Mayor were discharged by Councillor Jeremy Benstead, during his period of office and that the Common Seal be affixed to a copy of this resolution for presentation at the next Council meeting.

17/20/CNL To Pass a Resolution of Thanks to the Outgoing Deputy Mayor

Resolved (unanimously), on the proposal of Councillor Hipkin, that:

- The Council expresses its appreciation of the manner in which the duties of Mayor were discharged by Councillor Holland, during her period of office.

17/21/CNL Mayor's Announcements**Civic Church Service**

Members were reminded that the Mott Sermon would be preached at All Saints Church on Sunday, 28 May at 9.30am, and to confirm attendance with the Mayor's Secretary.

Proclamation of Midsummer Fair

The Proclamation had been scheduled to take place on Wednesday 21 June and further details would be circulated.

Mayor's Day Out

The Mayor confirmed that the Mayor's Day Out would take place on Wednesday 16 August and the venue was once again Great Yarmouth.

17/22/CNL To Elect from among the Members of the Council Four Bailiffs of the City for the Municipal Year 2017/18

Resolved (unanimously) to:

Appoint Councillors T Moore, McPherson, Page-Croft and Sarris Bailiffs of the City for the Municipal Year 2017/18.

17/23/CNL To consider the recommendation of the Executive for Adoption

17/23/CNLa Council Appointments to the Conservators of the River Cam (Executive Councillor for Streets and Open Spaces)

Resolved (unanimously) to:

- i. Approve the nominations of Councillors Ratcliffe and Roberts and Mr Clive Brown to the office of the Conservators of the River Cam to 31 December 2018.

17/24/CNL To consider the recommendations of Committees for Adoption

17/24/CNLa Planning Committee: Report Concerning Local Government Ombudsman Complaint

The report was noted.

17/24/CNL/b Civic Affairs: Nominations for Committees for the Municipal Year 2017/18

Appointment of Committees:

Resolved (unanimously) to:

- i. Agree the number and size of committees and membership of committees as listed below:
- ii. Agree to depart from proportionality on the Planning Committee.

Scrutiny Committees

Community Services Scrutiny Committee

8 (5 Labour + 2 Liberal Democrat + 1 Independent /Green)

Ratcliffe, Sinnott, Abbott, Barnett, Bird

Austin, O'Connell

Gillespie

Alternates-Gawthrope, Sargeant, Nethsingha

Environment Scrutiny Committee 7 (5 Labour + 2 Liberal Democrat)

Gawthrope, Bird, Ratcliffe, Sargeant, Sheil,

Bick, Tunnacliffe

Alternates-Abbott, Sinnott, Adey

Housing Scrutiny Committee 8 (5 Labour + 2 Liberal Democrat +1 Independent /Green)

Todd-Jones, Bird, Baigent, Gawthrope, Sheil,

Cantrill, Page-Croft

Holland

Alternates-Abbott, Barnett, Tim Moore

Strategy and Resources Scrutiny Committee 6 (4 Labour+ 2 Liberal Democrat)

Barnett, Baigent, Sarris, Sinnott, Bick, Cantrill

Alternates-Abbott, Sargeant, Avery

Regulatory Committees

Licensing Committee 12 (8 Labour+ 4 Liberal Democrat)

Bird, Ratcliffe, Abbott, Benstead, Gawthrope, McPherson, Sinnott
Smart
Gehring, Adey, Tim Moore, Pippas
Alternates- Rosy Moore, Holt

Planning Committee 8 (4 Labour+ 3 Liberal Democrat + 1 Independent /Green)

Smart, Blencowe, Hart, Sarris, Hipkin
Tunnacliffe, Nethsingha, Holt
Hipkin
Alternates- Bird, Page-Croft

Joint Development Control Committee - Cambridge Fringes 6 (4 Labour+ 2 Liberal Democrat)

Blencowe, Baigent, Bird, Price
Tunnacliffe, Holt
Alternates- Gawthrope, Martin Smart, Tim Moore

Other Committees

Civic Affairs Committee 6 (4 Labour +2 Liberal Democrat)

McPherson, Benstead, Gawthrope, Robertson
O'Connell, Holt
Alternate-Ratcliffe, Tim Moore

Employment (Senior Officer) Committee 6 (4 Labour +2 Liberal Democrat)

Blencowe, Hart, Herbert, Price
Bick, Avery

Cambridge City Joint Area Committee (with County Council) 6 (4 Labour + 2 Liberal Democrat)

Baigent, Bird, Blencowe, Robertson
Tunnacliffe, Adey
Alternate- Sargeant

Cambridgeshire and Peterborough Combined Authority -1 Labour

Herbert, Leader of the Council
Price

Cambridgeshire and Peterborough Combined Authority Overview and Scrutiny Committee 1 Labour + 1 Liberal Democrat

Baigent

Cantrill

Alternates -Sargeant, Austin

Cambridgeshire and Peterborough Audit and Governance Committee 1 Labour + 1 Alternate

Robertson,

Alternate - Ashton

Greater Cambridge City Deal Joint Assembly 3 (2 Labour + 1 Liberal Democrat)

Baigent, Price

Bick

Joint Development Control Committee - Cambridge Fringes 6 (4 Labour+ 2 Liberal Democrat)

Blencowe, Baigent, Bird, Price

Tunnacliffe, Holt

Alternates- Gawthrope, Martin Smart, Tim Moore

17/24/CNL/c Civic Affairs: Nominations for Committees Chairs and Vice-Chairs Municipal Year 2017/18

Resolved (unanimously) to:

- i. Agree the Chairs and Vice-Chairs as listed below:

	Chair	Vice Chair
Community Services	Ratcliffe	Sinnott
Environment	Gawthrope	Bird
Housing	Todd-Jones	Bird (*Tenant/Leaseholder is Chair of Part 1 of the meeting)
Strategy & Resources	Barnett	Baigent
Civic Affairs	McPherson	Benstead
Employment Appeals Sub	Hart	n/a
Licensing	Bird	Ratcliffe
Planning	Hipkin	Martin Smart
JDCC	Blencowe as Lead Councillor	

17/24/CNL/d Civic Affairs: Independent Person and Deputy

Resolved (unanimously) to:

- i. Confirm the appointment of Mr Sean Brady as the Council's Independent Person and Mr Robert Bennett as the Council's Deputy Independent Person for the municipal year 2017/18.

17/24/CNL/e Civic Affairs: Constitutional Amendments

Resolved (by 29 votes to 0) the following changes to the Constitution as set out in "**bold**":

Council Procedure Rules

6. Appointment Of Alternate Members Of Committees And Sub-Committees

6.2 Number

6.2.1 For each committee or sub-committee, the Council (or committees in respect of sub-committees) will appoint one alternate member in respect of each political group represented on that committee or sub-committee, "**and two in the case of the major Scrutiny Committees for groups with more than one Committee member,**" but shall not appoint an alternate member for a political group which declines to nominate an alternate member.

21. Length of speeches

Generally

21.1 "**Except for Executive Councillors, Chairs and spokespersons, who may speak for up to 5 minutes,**" no other speech shall subject to the exceptions provided elsewhere in Council Procedure Rules exceed "**3 minutes**" length (without the consent of the Council given by reason of the exceptional importance of the subject and which consent shall be ascertained by the Mayor either on his/her own initiative or on a motion made which shall be put without amendment or discussion. Provided that it shall be within the discretion of the Mayor to permit up to a further 3 minutes beyond the time so mentioned without the necessity for any such consent.

PART 4B-ACCESS TO INFORMATION RULES-APPENDIX 2 PUBLIC
SPEAKING RIGHTS

“Extraordinary Council Meetings – public questions will only be taken on the single item of business for which the extraordinary meeting has been called.”

Part 4EE-AREA COMMITTEE PROCEDURE RULES

4. Co-opted Members

4.1 Each area committee shall invite county councillors **“where the clear majority of a County Council Division is within”** the area to be co-opted members. **“County Councillors may vote on all matters except for any decision relating to city council funding and the election of the Chair and Vice-Chair.”** Area committees may appoint such other non-voting co-opted members as they choose. Co-opted members may be appointed either in respect of the whole work of the area committee, or in respect of specific aspects of that work.

6.1 An area committee shall, at its first meeting of the municipal year, elect **“City Councillors as”** Chair and Vice Chair.....

6.1.2 In the absence from any meeting of the Chair and Vice Chair, a **“City Councillor as”** Chair for that meeting.....

17/25/CNL Annual Statements

Councillor Herbert spoke to a written Annual Statement on the Labour Group's priorities for the forthcoming Municipal Year, which had been appended to the agenda for the meeting.

Councillor Bick spoke to a written Annual Statement on the Liberal Democrat Group's priorities for the forthcoming Municipal Year, which had been appended to the information pack for the meeting

Councillor Hipkin gave an oral Annual Statement on the Independent/Green Group's priorities for the forthcoming Municipal Year.

17/26/CNL Adoption of Policies and Priorities

Under the Scheme for Annual Statements, that of the Labour Group was deemed to be a motion for adoption by the Council.

Resolved (by 29 votes to 0) that:

- i. The Annual Statement of the Labour Group, as appended to the agenda, be adopted as Council policy for 2017/18.

17/27/CNL Update on Combined Authority

The Leader of the Council, Councillor Herbert gave an update on the business of the Combined Authority. He stated that being part of the Combined Authority process would present economic prospects for Cambridge and the surrounding areas; he welcomed collaborative working with fellow Councillors to ensure those opportunities were maximised, and highlighted the commitment to the affordable housing programme.

The Leader explained he had taken the lead on spatial planning, which would link local plans and infrastructure commitments across the Cambridgeshire and Peterborough footprint. The role would also encompass setting up a land commission, focusing on the environment and supporting disadvantaged communities and individuals to benefit from growth and prosperity.

A detailed report would be presented to the Strategy and Resources Scrutiny Committee in July providing further updates on the Combined Authority.

In response to Members' questions the Leader said:

- i. Central Government had shown no commitment to further devolution.
- ii. There was a need for integration for the different funding streams available to Peterborough City Council, Cambridgeshire County Council, Greater Cambridge Greater Peterborough Enterprise Partnership (GCGPEP), the City Deal and funding for transport from the office of the newly created Mayor of Cambridgeshire and Peterborough.
- iii. A decision had to be made to determine which organisation would lead on transport delivery.
- iv. GCGPEP and the Mayor of Cambridgeshire and Peterborough should work together as they both had a significant amount of growth funding.
- v. The City Deal and the Mayor of Cambridgeshire and Peterborough had to collaborate; one was responsible for the transportation strategy of greater Cambridge and the other for Peterborough and Cambridge. It had yet to be worked on how this would work in practice.
- vi. He believed that progress could be made on a shared term of reference with the Mayor of Peterborough and Cambridgeshire and the City Deal.
- vii. He was committed to a clean air zone in the City Centre.

17/28/CNL Oral Questions**1) Councillor Austin to the Executive Councillor for Streets and Open Spaces**

How can homeless people in the City be confident their belongings will not be disposed of in the future?

The Executive Councillor responded that the Council shared a commitment to support the homeless and vulnerable spending £1.2 million in assisting rough sleepers. A further grant of £400,000 had been awarded to continue the Council's work.

While the Council did have a legal duty to keep the streets, safe, clean and accessible, it was not the Council's policy to dispose of personal effects belonging to homeless people in the city and apologised to those concerned.

The Executive Councillor advised that she had been out with the Council's Street teams and had seen the care that was administered when working with those who were homeless and vulnerable.

An accessible central collection point for personal items to be claimed could be available in the future.

Currently if personal possessions needed to be removed they were kept at the Council's depot and Officers worked closely with outside agencies to reunite those possessions with the correct owners.

The Executive Councillor concluded the City Council and their partners would continue to work with those who were homeless and vulnerable to address the issues that they faced to move forward.

2) Councillor Tunnacliffe to the Executive Councillor for Streets and Open Spaces

Is the Executive Councillor happy with the extent of routine car parking on Midsummer Common in front of the Fort St George pub in breach of the rules of the common?

The Executive Councillor stated that neither she nor Officers were happy to see vehicles parked on the Common that should not be there. Access to the Common for vehicles was limited and should remain that way.

The matter was recently discussed at the Annual General Meeting of the Friends of Midsummer Common and a recent visit had shown some of the issues that had been raised, such as damage to the grass caused by delivery vehicles which had not used the newly constructed loading bays.

Reassurances had been given that the Executive Councillor, fellow Councillors and Officers would continue to work hard to resolve these issues. Midsummer Common was a special area of the city and should be kept that way.

3) Councillor O'Connell to the Leader

Does the Leader believe the Punt Tout Public Spaces Protection Order (PSPO) is working effectively?

The Leader replied that the PSPO was a result of extensive consultation following previous efforts to reduce the issue of punt touts in the city centre; such as the approval of a byelaw on Bridge Street and the introduction of a voluntary code of conduct, which many punt operators had refused to abide by.

Outside agencies such as the Police had taken part in the consultation and it had been determined that a PSPO would be a good idea.

Since the introduction of the PSPO over forty fixed penalty notices had been issued to those who had been caught breaching the order, second notices had been issued to a small number of operators.

Legal advice had determined that a PSPO could not be issued on the basis of just touting (advertising or being on the streets) but there had to be a wider breach to issue a notice.

The Leader resolved that future intervention would ensue as it was evident the matter was not being taken seriously by punt touts.

4) Councillor Avery to the Executive Councillor for Housing

Could the Executive Councillor please give figures for homes known to be unoccupied in Cambridge and, in so doing, comment on his perception of the urgency of bringing empty homes into occupation?

The Executive Councillors specified that bringing empty properties back into occupation was a priority of the City Council and an empty Property Officer

within Environmental Services had been employed full time to address this issue.

There were currently in the region of 500 empty properties within the city that had been empty for at least 6 months. 317 of those empty properties had been recorded as being empty between 6 and 12 months, many of which being part of a natural turnover of property, between lets, being sold or refurbished.

The Empty Property Officer had reported 75 long term empty privately owned properties which without the council's on-going intervention would remain unoccupied and a wasted resource in the city.

The Executive Councillor acknowledged that empty properties could have a negative effect on the neighbourhood and environment, falling into disrepair, becoming a magnet for anti-social behaviour.

Between the months of April 2016 to the end of March 2017 a total of 39 long term empty properties had been brought back into use with the intervention of the Empty Property Officer.

5) Councillor Bick to the Executive Councillor for Housing

How satisfied is the Executive Councillor that tenants of the City Council's two-storey sheltered housing scheme at Stanton House recently had to wait 12 weeks for a repair to the scheme's only lift? During this time it remained inoperative, leaving access only to a chairlift which proved completely inadequate in enabling tenants to carry washing, shopping and rubbish, let alone their strollers, trolleys and medical equipment - absolute necessities for older people?

The Executive Councillor stated that this had been an unsatisfactory situation but everything had been done within the council's control to resolve the matter as quickly as possible.

Those residents who had not able to use the stairs had access to a stair lift and City Homes staff were regularly on site to help residents such as carrying items between floors.

The existing lift, approximately 20 years old, was maintained as part of an annual servicing programme with a specialist lift contractor. Repairs were carried out by the same specialist as required on both a routine planned and response basis.

When the lift had failed the parts required were not available and were sourced direct from the original manufacturer in Germany. The delivery of parts did not materialise as quickly as promised and the extended delay did lead to some unavoidable inconvenience to residents. When the parts arrived they were delivered to site by express delivery and installed by a manager from the Council's contractor rather than wait for the next available engineer.

The Executive Councillor confirmed installation was now fully functioning but a project had also been included in the council's five year planned works programme for complete replacement of the lift in 2018/19 subject to budget.

6) Councillor Cantrill to the Leader

What is the Leader's view of the extensive agenda for the city deal meeting in July that will consider a number of important schemes within the city?

The Leader responded that the General Election in June had left no other choice than to rearrange June items to July.

This would also allow more time for Officers and allow them to work with outside organisations such as resident associations. There would be a proposal to split the meeting into two, a morning and afternoon. As standard, all items would be given considerable consideration.

17/29/CNL To consider the following Notices of Motion, notice of which has been given by:

17/29/CNLa Councillor O'Connell: Member-Led Review of Waste Collection Routes

Councillor O'Connell proposed and Councillor Bick seconded the following motion:

Council calls on the Executive Councillor for Environmental Services and City Centre to establish a member-led review of the planning and delivery of the recently reorganised waste collection routes in the city.

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

Council calls on the ~~Executive Councillor for Environmental Services and City Centre to establish a member-led~~ Environment Scrutiny Committee to undertake at its next meeting a review of the planning and delivery of the recently reorganised waste collection routes in the City and consider the already planned Officer's report to the Committee.

On a show of hands the amendment was carried by 26 votes to 12.

It was resolved (26 votes to 0) that:

Council calls on the Environment Scrutiny Committee to undertake at its next meeting a review of the planning and delivery of the recently reorganised waste collection routes in the City and consider the already planned Officer's report to the Committee.

17/30/CNL Special Urgency Decision

17/30/CNLa 2017/18 Housing Revenue Account Affordable Rents Special Urgency Decision

The decision was noted.

The meeting ended at 4.00 pm

MAYOR

Present: Councillors Barnett (Chair), Baigent (Vice-Chair), Abbott, Bick, Cantrill, and Sinnott

**RECOMMENDATION TO COUNCIL
(EXECUTIVE COUNCILLOR FOR FINANCE AND
RESOURCES – COUNCILLOR ROBERTSON)**

2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances- General Fund – All Portfolios

The report presented a summary of the 2016/17 outturn position (actual income and expenditure) for all portfolios, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets were highlighted. Explanations had been reported to individual Executive Councillors / Scrutiny Committees and were reproduced here.

The Strategy and Resource Scrutiny Committee resolved by 4 votes to 0 to endorse the recommendation.

Accordingly, Council is recommended to:

- a) Carry forward requests totalling £914,330 revenue funding from 2016/17 to 2017/18, as detailed in **Appendix C**
- b) Carry forward requests of £34,384k (including £20,000k for PR038 Investment in Commercial Property Portfolio and £2,896k relating to the Housing Capital Investment Plan) of capital resources from 2016/17 to 2017/18 to fund rephased net capital spending, as detailed in Appendix D - Overview.

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To Executive Councillor for Finance and Resources

Report by Chief Executive, Strategic Directors and Head of Finance

Relevant Scrutiny Committee Strategy and Resources 3 July 2017

2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances – General Fund - OVERVIEW

Key Decision

1. Executive summary

1.1 This report presents, for all portfolios:

- A summary of actual income and expenditure compared to the final budget for 2016/17 (outturn position)
- Revenue and capital budget variances with explanations, as reported to individual Executive Councillors and Scrutiny Committees
- Specific requests to carry forward funding available from budget underspends into 2017/18.

1.2 The outturn reports presented in this Committee cycle reflect the current Executive Portfolios (which may have changed since the budgets were originally approved, before any changes in Portfolio responsibilities). Therefore members of all committees have been asked to consider proposals to carry forward budgets and make their views known to the Executive Councillor for Finance and Resources, for consideration at Strategy and Resources Scrutiny Committee prior to his recommendations to Council. As this report was published prior to completion of all the Scrutiny Committee meetings, a list of all comments received will be published once available.

1.3 The outturn position for the Housing Revenue Account (HRA) was reported to the Housing Scrutiny Committee and the Executive Councillor for Housing on 20 June 2017.

2. Recommendations

The Executive Councillor for Finance and Resources is recommended to seek Council approval for the following:

- a) Carry forward requests totalling £914,330 revenue funding from 2016/17 to 2017/18, as detailed in **Appendix C**

- b) Carry forward requests of £34,384k (including £20,000k for PR038 Investment in Commercial Property Portfolio and £2,896k relating to the Housing Capital Investment Plan) of capital resources from 2016/17 to 2017/18 to fund rephased net capital spending, as detailed in **Appendix D - Overview**.

3. Background

Revenue Outturn

- 3.1 The overall revenue budget outturn position for all portfolios is given in the table below. Detail by portfolio is presented in **Appendix A**.

2015/16 £'000	General Fund Revenue Summary	2016/17 £'000	% Final Budget
17,855	Original Budget	18,259	91.0
657	Adjustment – Prior Year Carry Forwards	485	2.4
408	Adjustment – BSR Feb approvals	0	-
5	Adjustment – Service Restructure Costs	264	1.3
(60)	Adjustment – Earmarked Reserves	334	1.7
459	Adjustment – Capital Charges	733	3.6
71	Adjustment – Central & Support reallocations	0	-
(97)	Other Adjustments	0	-
19,298	Final Budget	20,075	100.0
16,334	Outturn	18,045	89.9
(2,964)	(Under)/Overspend for the year on committees	(2,030)	(10.1)
485	Carry Forward Requests - revenue	914	4.6
(2,479)	Variation on committees	(1,116)	(5.5)
(2,622)	Other variances (mainly earmarked reserves and retained business rates)	(1,139)	(5.7)
2,208	Capital expenditure financed from revenue	466	2.3
(2,893)	Variance and reduced use of General Fund Reserves	(1,789)	(8.9)

- 3.2 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn

position for all Portfolios for 2016/17. The original revenue budget for 2016/17 was approved by Council on 25 February 2016.

3.3 **Appendix B** provides explanations of the main variances, which have been reported to appropriate Executive Councillors and Scrutiny Committees.

3.4 **Appendix C** lists revenue carry forward requests.

Capital Outturn

3.5 The overall revenue capital budget outturn positions for all portfolios and the HRA are given in the tables below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2015/16 £'000	General Fund Capital Summary	2016/17 £'000	% Final Budget
20,729	Original Budget	17,860	39.4
21,397	Adjustments	27,498	60.6
42,126	Final Budget	45,358	100.0
25,561	Outturn	19,903	43.9
(16,565)	(Under)/Overspend for the year	(25,454)	(56.1)
16,445	Rephasing Requests	31,488	69.4
(120)	(Under) / Overspend	6,034	13.3

2015/16 £'000	HRA Capital Summary	2016/17 £'000	% Final Budget
29,946	Original Budget	37,271	141.8
13,758	Adjustments (Re-phasing from prior year)	2,171	8.3
(6,830)	Other Adjustments	(13,159)	(50.1)
36,874	Final Budget	26,283	100.0
33,355	Outturn	23,373	88.9
(3,519)	(Under)/Overspend for the year	(2,910)	(11.1)
2,171	Re-phasing Requests	2,896	11.0
(1,348)	(Under) / Overspend	(14)	(0.1)

General Fund

- 3.6 The capital adjustments of £27,498k include £20,000k for PR038 Investment in Commercial Property Portfolio which is also within the £31,488 rephasing. The major variance within the £6,033k relates to SC616 General Fund Property Acquisition for Housing Company which is completed - the original budget for this project was the loan to Cambridge City Housing Company which is treated as capital expenditure under local government accounting rules. However, a significant element of the build spend was also incurred by the Council in advance of the set-up of the company and assignment of the build contracts to the company. This has been offset by an effective capital receipt equal to the value of the build spend incurred by the Council.

HRA

- 3.7 Spending in the Housing Capital Investment Plan in 2016/17 was below that originally anticipated, with significant reduction in the budget for new build expenditure as part of the Medium Term Financial Strategy in September / October 2016.
- 3.8 At outturn, against the latest capital budget approved, underspending of £1,271,000 was evident in new build investment, with slippage of £1,186,000 identified. This related predominantly to delays at Anstey Way, Akeman Street and the 2015/16 garage sites, where obtaining vacant possession and planning permissions has introduced some delays.
- 3.9 Investment in the housing stock, in respect of decent homes and other capital activity was underspent by £1,125,000, but taking into consideration income of £245,000 from leaseholders which is reported separately, the need to defer £1,162,000 of investment into future years has been identified.
- 3.10 Some slippage in the programme is in respect of the refurbishment scheme at Ditchburn Place (£341,000), where work on site has now begun, but where costs did not begin to be incurred until the latter part of 2016/17.
- 3.11 Permission is sought to re-phase the use of £189,000 direct revenue financing of capital expenditure from the Housing Revenue Account into 2017/18, and to recognise deferred receipt of £1,164,000 of capital receipts for the sale of shared ownership properties, using these to finance re-phased capital expenditure identified.
- 3.12 Recognition also needs to be given to an increased use of major repairs reserve as a funding source in 2016/17, which meant a reduction in the use of capital balances in the year. The impact of this will be a mitigating reduction in the anticipated use of major repairs reserve funding in 2017/18, with an increased call upon capital balances instead. Using major repairs reserve funding first ensures that the resource with the greatest flexibility is retained for the longest, providing greater alternative options for its use if capital schemes underspend.

4. Implications

- 4.1 The variance from the final revenue budget (see above) on committees would result in a decreased use of General Fund reserves of £2,030k. After revenue carry forwards of £914k this is £1,116k. After capital projects financed from revenue of £466k and net reductions (mainly for earmarked reserves and retained business rates) the overall variance and decreased use of General Fund Reserves is £1,789k.
- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

5. Background papers

- Reports for all portfolios to the June 2017 Scrutiny Committee cycle.

6. Inspection of papers

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

Authors' Names:	John Harvey
Authors' Phone Numbers:	01223 - 458143
Authors' Emails:	john.harvey@cambridge.gov.uk

O:\accounts\Committee Reports & Papers\Strategy & Resources from July 2007\2017 June\Overview\Final\S&R (Overview) - Committee Outturn 2016-17 Report.docx

General Fund Overview / Strategy & Resources Scrutiny Committee

Revenue Budget - 2016/17 Outturn

Committee / Portfolio	Original Budget £000	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Community Services						
Communities	7,547,910	7,378,020	7,227,860	(150,160)	20,600	(129,560)
Streets & Open Spaces	5,989,460	6,213,260	6,187,453	(25,807)	41,140	15,333
Total Community Services	13,537,370	13,591,280	13,415,313	(175,967)	61,740	(114,227)
Environment						
Environment Services & City Centre	4,248,630	4,339,090	4,511,150	172,060	0	172,060
Planning Policy & Transport	(562,290)	(621,210)	(933,728)	(312,518)	11,230	(301,288)
Total Environment	3,686,340	3,717,880	3,577,422	(140,458)	11,230	(129,228)
Housing						
Housing GF	3,438,320	3,347,740	3,195,653	(152,087)	57,060	(95,027)
Strategy & Resources						
Finance & Resources	(6,340,720)	(5,287,620)	(5,943,614)	(655,994)	222,700	(433,294)
Strategy & Transformation	3,938,220	4,705,600	3,800,233	(905,367)	561,600	(343,767)
Total Strategy & Resources	(2,402,500)	(582,020)	(2,143,381)	(1,561,361)	784,300	(777,061)
Total Portfolios / Committees	18,259,530	20,074,880	18,045,007	(2,029,873)	914,330	(1,115,543)
Capital accounting adjustments	(5,422,730)	(6,155,050)	(6,153,567)	1,483		1,483
Capital expenditure financed from revenue	1,787,000	1,787,000	2,253,681	466,681		466,681
Contributions to earmarked funds	9,167,000	9,001,660	8,593,000	(408,660)		(408,660)
Contributions to/(from) Reserves	(2,817,420)	(3,302,720)	(599,589)	2,703,131	(914,330)	1,788,801
	2,713,850	1,330,890	4,093,525	2,762,635	(914,330)	1,848,305
Net spending requirement	20,973,380	21,405,770	22,138,532	732,762	0	732,762
Financed by:						
Settlement Funding Assessment	(5,863,890)	(5,863,890)	(5,863,895)	(5)		(5)
Locally Retained Business Rates - growth element	601,440	601,440	(324,109)	(925,549)		(925,549)
New Homes Bonus (NHB)	(6,323,000)	(6,332,000)	(6,332,196)	(196)		(196)
Other grants from central government:	0	0	(60,964)	(60,964)		(60,964)
Appropriations from earmarked funds	(2,035,420)	(2,458,810)	(2,204,812)	253,998		253,998
Council Tax	(7,439,410)	(7,439,410)	(7,439,409)	1		1
Collection Fund (Surplus)/Deficit	86,900	86,900	86,853	(47)		(47)
Total Financing	(20,973,380)	(21,405,770)	(22,138,532)	(732,762)	0	(732,762)
Net Total	0	0	0	0	0	0

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
 - via technical adjustments/virements throughout the year

Communities Portfolio / Community Services Scrutiny Committee

Revenue Budget 2016/17 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Community Centres	Clay Farm: Due to a major delay with the construction of this Community Centre it did not open before year end, therefore there was no spend in 2016/17.	(120,000)	Sally Roden
	Other community centres: Overachievement of income at the Meadows and relatively small underspends on the other centres	(37,750)	Sally Roden
Community Services Admin	Carry forwards requested for 2 items: a. Junction Capital Scheme Consultancy Work (order placed work not yet completed - work ongoing) £9,300 b. Trumpington Pavilion IT improvements (order placed work ongoing) £11,300	(31,861)	Cathy Heath
Cultural and Community	Other than the main contract fee there is no budget provision for other costs relating to Cambridge Live/Corn Exchange (landlord responsibilities). The additional costs are due in the main to loss of income from no funfair provision at Midsummer Fair, a contribution to increased Health and Safety costs at City Events and essential building maintenance at the Corn Exchange.	64,962	Jane Wilson
Other	Children and Youth, Grants, Neighbourhood Community Development, Sport & Recreation minor net underspends.	(25,511)	-
Total		(150,160)	

Streets & Open Spaces Portfolio / Community Services Scrutiny Committee

Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Commercial Services - Bereavement Services	City of Cambridge Cemetery - An underspend on building maintenance of £22k plus additional Right to Erect income of £14k.	(43,418)	James Elms
	Cambridge Crematorium - Mainly due to greater than expected cremation income of £69k	(68,647)	James Elms
	Burials and Grounds - An underspend of £18k on the salaries budget	(21,232)	James Elms
	Central Costs - Increased staffing costs due to one off costs of the service restructure.	87,571	James Elms
	Commemoration - Due to greater than expected income .	(22,728)	James Elms
	Transfer to Investment Fund of additional income as a result of above variances	68,454	James Elms
Environment - Open Space Management	Historical Project Facilitation Fund bid of (£39,780) in the budget without matching actual grant leading to the overspend	30,798	Alistair Wilson
	Open Space Asset Maintenance: Carry forward request is being made for monies that have been collected from the University Arms development to be used for improvement works to Parker's Piece in 2017/18.	(47,896)	Alistair Wilson
Other		(8,709)	-
Total		(25,807)	

Environmental Services & City Centre Portfolio / Environment Scrutiny Committee

Revenue Budget 2016/17 - Major Variances
from Final Revenue Budgets

Cost Centre	Reason for Variance	Amount £	Contact
	Environment - Environmental Health		
Control of Disease	Variance due to staffing shortages with a Pest Control Officer post vacant for 6 months. Post now recruited to.	(26,896)	Karen O'Connor
Enforcement	Variance due to staffing shortages and combining manager posts.	(26,470)	Karen O'Connor
	Environment - Licensing		
Liquor Licensing	Variance due to staff changes and shortages and combining manager posts.	(25,398)	Karen O'Connor
	Environment - Waste and Recycling		
Waste Collection	The waste collection and policy cost centres have a total £163k overspend for the year. This equates to 6.4% of the budget for those two cost centres. The overspend is due to the delay in implementing the second phase of the shared waste service restructure. Implementation costs of this restructure amounting to £76k are included in the overspend and it was expected that these costs would be recovered through savings achieved by the round routing and additional staff restructure. The costs and allocations of the 2016-17 figures are to be reviewed and if any adjustment is necessary then this will be adjusted in the 2017-18 accounts.	280,947	Suzanne Hemingway
Waste Policy	See Waste Policy above	(118,174)	Suzanne Hemingway
	Environment - Garage and Fleet Services		
Garage External Work	The garage move to Waterbeach planned for April 2016 was delayed until late September 2016. This resulted in a delay in setting up external maintenance contracts and resulted in an underachievement of income of £175k for external work.	178,764	David Cox
	Environment - Service and Departmental Management		
Environmental Health Operational Support	Due to increase in income from Training courses delivered by Environmental Health	(31,312)	Yvonne O'Donnell
	Environment - Tourism and City Centre Management		
Tourism	Budget for rent income was incorrect for 2016-17	(23,213)	Joel Carre
Markets	Reduced estate maintenance and waste collection costs, together with increased income from the new market toll pricing structure (brought in after the budget was set)	(25,149)	Dan Ritchie
Other		(11,039)	-
Total		172,060	

Planning, Policy & Transport / Environment Scrutiny Committee

Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
	Environment - Parking Services		
Car Parks	Overachievement of income against budget & underspend on expenditure.	(364,172)	Sean Cleary
	Environment - Planning		
Building Control Other	Overall costs of Building Control service have increased due to temporary staff being recruited to cover for vacancies together with the increased cost of an interim Head of Service	60,384	Stephen Kelly
City Development	Underachievement on fee income for Major Planning applications across both New Neighbourhoods (£188k) and City Development Management (£92k) teams. Costs of temporary staff to cover vacancies (£137k) offset by savings on staff costs arising from challenging recruitment environment (£273k).	170,365	Sarah Dyer
Cambridge University Contract	Due to income received in 2015/16 incorrectly allocated to that financial year. Contract commenced 26 February 2016 so only one month's income should have been incorporated.	36,942	Sharon Brown
Urban Design & Conservation	The most significant underspend is related to pay and associated costs due to the Urban Design & Conservation Manager post being vacant.	(62,284)	Jonathan Brookes
Taxicard Service	Underuse of current Taxicard vouchers by eligible customers	(47,111)	Sara Saunders
	Environment - Director & Business & Information Service (BIS)		
Urban Growth Project Management	Underspend relates primarily to (a) the vacant Corporate Growth Programme Manager post, and (b) the additional income from a successful claim of £54k Horizons grant for CGPM costs in 2014-15 and the draw-down of £19,000 of S106 monitoring.	(74,097)	Tim Wetherfield
Other		(32,545)	-
Total		(312,518)	

General Fund Housing Portfolio / Housing Scrutiny Committee

Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Housing Strategy, Home Aid, Housing Advice, General Fund and Other Housing			
Housing Advice Service	Expenditure in the Housing Advice Service for 2016/17 exceeded the budget due to a combination of the need to account for the housing general fund share of the potential exit costs anticipated to arise from the Housing Service Restructure (£23,000), coupled with additional staff costs to address workload arising from the implementation of the new choice based lettings system (£33,000). This was partially offset by the receipt of additional income in this service area.	44,264	David Greening
Housing Strategy	Housing Strategy underspent by £59,000 due to the vacant Growth Development Office post and 7 hours of the vacant Housing Strategy Manager post, coupled with associated underspending in operational costs as a direct result of the vacancies. Community Housing Fund grant income of £52,000 was also received in the latter part of the year, to be spent in partnership with South Cambridgeshire District Council in 2017/18. The Sub-Regional Housing Service shows an underspend of £13,000, as all of the costs, including the Council's overheads associated with this service were funded by contributions from local authority partners and registered providers or from reserves available from prior years.	(124,601)	Helen Reed
Choice Based Lettings (Revenue Running Costs)	The implementation of a new IT system for choice based lettings has resulted in a reduction in IT costs for 2016/17. In the first year, this saving was more than offset by the need to deploy additional staff in the Housing Advice Service (see above) to deal with issues arising from the project.	(17,253)	David Greening
Homelessness Costs	Lower than anticipated spending in respect of the placement of homeless households in bed and breakfast in 2016/17, resulted in underspending in this service area.	(15,265)	David Greening
Other		(16,879)	
Total		(129,734)	
Environment - Environmental Health			
Energy Officer	Carry forward request for £4,720 to promote Collective Energy Switch Scheme. Underspends relating to staffing budgets and (£4,500) transferred from holding code relating to CAN East	(27,002)	Jo Dicks

General Fund Housing Portfolio / Housing Scrutiny Committee

Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Other		4,649	
Total		(22,353)	
Total for Housing Portfolio / Housing Scrutiny Committee		(152,087)	

**Finance & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2016/17 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
General Properties and Grand Arcade	This variance is primarily due to an over achievement of rental income from geared ground rents where the Council receives a proportion of income generated by property but managed by others, e.g., Grand Arcade, Clifton Road Industrial Estate. The Haverhill acquisition also generated a better return than was expected.	(282,003)	Dave Prinsep
Revenues and Benefits	The variance is primarily due to unspent Homelessness Prevention Funding of £196.7k allocated to Discretionary Housing Payment use (top up funding) for which a carry forward of budget to the 2017/18 financial year was approved at the Strategy & Resources Scrutiny Committee meeting on 20 March 2017 (see Appendix C) and higher than forecast recovery of Housing Benefit Overpayments from claimants no longer claiming benefits - £84k. The above mentioned variances were partly offset by a shortfall in Local Taxation fee income of £46K (mainly court costs income). The shortfall in income is primarily due to the clearing of historic arrears in prior years resulting in current court costs recovery being mainly in respect of current year liability. The remaining variances are primarily due to a one-off residual Council Tax Benefits receipt - £8k and minor net positive variances on a range of supplies and services, staffing and income budget headings.	(270,386)	Alison Cole
Land Charges and Searches	Overspend is primarily due to the housing market slowdown in 2016, which resulted in a reduction to fee income received, and higher than budgeted expenditure on professional fees following fee changes at Cambridgeshire County Council.	38,705	Jonathan James
	Support Services		
Accountancy & Support Services	Variance is primarily due to profiling / timing differences with respect to the cost of the backfill of staff who are involved with the new Financial Management System project for which a carry forward of budget of £26k to the 2017/18 financial year is requested. The remaining variance is primarily due to minor underspends on supplies and services.	(49,938)	Caroline Ryba
Other Support Services	Overspend is primarily due to the cost of recruitment and interim cover with respect to the Strategic Director post.	32,333	Caroline Ryba
Human Resources	The principal reasons for the underspends are the cumulative effect of various small underspends across cost centres, including part year salary and pension costs as a result of vacancies and recruitment.	(50,151)	Deborah Simpson
IT	The variance of £65k is primarily due to a higher value of project (development days) expenditure than was originally forecast. The ICT Shared Service final variance (City Council's share) against the original savings target as per the business case of £364k was not fully achieved in year one. The City Council took a prudent approach with respect to the savings achieved in the early years of the ICT Shared Service, building up the savings over time; the budgeted savings target for the 2016/17 financial year was therefore £150k of which savings of £142k were achieved, resulting in a small under achievement on this budget line of £8k.	64,741	David Edwards
Legal	The overspend on the shared service was due to unexpected one off implementation costs which will not occur again in 2017-18.	71,044	Tom Lewis

**Finance & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2016/17 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
Admin Buildings (including Facilities Management)	The underspend is mainly due to the receipt of new rental income from a letting within The Guildhall premises. Rent commencement date was earlier than originally anticipated. The remaining (positive) variances are primarily due to, for The Guildhall premises, the receipt of backdated rental income following the completion of a rent review and a prior year business rates refund and, for the Mandela House premises, lower utility costs due to the building only being partly occupied during the 2016/17 financial year.	(168,015)	Trevor Burdon
Other		(42,324)	-
Total		(655,994)	

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2016/17 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	Corporate Marketing: Digital and Web Manager vacancy and Digital Communications Officer vacancy plus underspend in web development budget - request carry forward of £12k towards the cost of Digital Programme Adviser who is working to develop the Digital Strategy.	(33,847)	Andrew Limb
Democratic Services	Elections: this underspend is due to the combined poll in May 2016, where costs were shared with the PCC election.	(22,275)	Vicky Breeding
	Committee Management: Mainly due to the reduced cost of Area Committees (£6k) and reduced printing costs £8k	(20,545)	Gary Clift
	Civic Affairs and Twinning: Changes to staffing structure and staffing vacancy and less spending on twinning function	(40,465)	Lucy Milazzo
	Members Support: unbudgeted increase in Members' Allowances. BSR has provided budget for this for future years.	33,837	Gary Clift
CCTV	The year end estimate for the CCTV Shared Service was considerably lower than anticipated. Much of this related to vacancies within the service including the CCTV Manager post. Budgets to be reviewed in 2017/18	(67,263)	Joel Carre
Community Safety	This includes an unanticipated refund of street lighting costs from Cambridgeshire County Council of £16,221.	(25,412)	Lynda Kilkelly
Corporate & Democratic Services	Emergency Planning: Variance is primarily due to an underspend on consultants with minor underspends on staffing and supplies and services costs and receipt of fee income in respect of health and safety and emergency planning services provided to South Cambs DC - £11,585.	(20,265)	Trevor Burdon
Central Provisions and Centrally allocated costs	There is an underspend of £267k on Programme Office and Support Services redundancy costs which is the estimated remaining cost for transformation programmes currently identified so there is a request to carry this forward.	(266,740)	Paul Boucher
	Potential Capital Schemes Feasibilities provision	(66,000)	Joanna Darul
	Some budget provisions are held centrally but the actual spend mainly occurs in departments which offsets this (an example being £92k Youth Apprenticeship Scheme) so the position overall is net nil for the authority.	(91,856)	John Harvey
Programme Office	Underspends based on profiling of transformation fund and alignment to projects. Balance to be carried forward at year end.	(282,607)	Paul Boucher
Other		(1,929)	-
Total		(905,367)	

Community Services Scrutiny Committee

Communities Portfolio

Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18

Item	Reason for Carry Forward Request	Amount £	Contact
1	Junction Capital Scheme Consultancy Work (order placed work not yet completed - work ongoing)	9,300	Debbie Kaye
2	Trumpington Pavilion IT improvements (order placed work ongoing)	11,300	Debbie Kaye
	Total Carry Forward Requests for Communities Portfolio / Community Services Scrutiny Committee	20,600	

Community Services Scrutiny Committee

Streets & Open Spaces

Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18

Item	Reason for Carry Forward Request	Amount £	Contact
1	<p>Open Space Management</p> <p>Carry forward request is being made for monies that have been collected from the University Arms development to be used for improvement works to Parker's Piece in 2017/18.</p>	41,140	Alistair Wilson
	Total Carry Forward Requests for Streets & Open Spaces Portfolio / Community Services Scrutiny Committee	41,140	

Environmental Services & City Centre Portfolio / Environment Scrutiny Committee

Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18

Item	Reason for Carry Forward Request	Amount £	Contact
	No carry forwards are requested for this portfolio		
	Total Carry Forward Requests for Environmental Services & City Centre Portfolio / Environment Scrutiny Committee		

Planning, Policy & Transport / Environment Scrutiny Committee

Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18

Item	Reason for Carry Forward Request	Amount £	Contact
Planning	To help resource the ongoing proactive conservation projects (Conservation Area Appraisal reviews / Management Plan), and to respond to a historic signage restoration request should one arise.	11,230	Christian Brady
	Total Carry Forward Requests for Planning, Policy & Transport / Environment Scrutiny Committee	11,230	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18 and future years

Item		Request £	Contact
1	<p>Housing General Fund</p> <p>Community Housing Fund Grant awarded for promoting / developing community-led housing. A carry forward is requested to allow work with South Cambridgeshire District Council (also awarded grant) on how to make best use of the grant for the benefit of both districts.</p>	52,340	Helen Reed
2	<p>Environment - Environmental Health</p> <p>Carry forward request relates to the Cambridgeshire Collective Switching Scheme - the carry forward will allow for effective promotion of the scheme with three campaigns planned for 2017/18</p>	4,720	Jo Dicks
	Total Carry Forward Requests for General Fund Housing Portfolio / Housing Scrutiny Committee	57,060	

**Finance & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18

Item	Reason for carry forward request	Amount £	Contact
1	Revenues and Benefits Request to carry forward unspent Homelessness Prevention funding of £196,700 to support Discretionary Housing Payments. (N.B. The above-mentioned carry forward was approved at the Strategy & Resources Scrutiny Committee meeting on 20 March 2017).	196,700	Alison Cole
2	Accountancy and Support Services Request to carry forward unspent funding of £26,000 for the backfill of Finance staff involved with the replacement Financial Management System project.	26,000	Caroline Ryba
	Total Carry Forward Requests for Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee	222,700	

Appendix C

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18

Item	Reason for Carry Forward Request	Amount £	Contact
1	Corporate Strategy Corporate Marketing: request carry forward of £12k towards the cost of Digital Programme Adviser who is working to develop the Digital Strategy.	12,000	Ashley Perry
2	Programme Office Underspends based on profiling of transformation fund and alignment to projects. Balance to be carried forward at year end.	282,600	Paul Boucher
3	Central Provisions There is an underspend of £267k on Programme Office and Support Services redundancy costs which is the estimated remaining cost for transformation programmes currently identified so there is a request to carry this forward.	267,000	Paul Boucher
	Total Carry Forward Requests for Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee	561,600	

Appendix D - Overview

Overview (Committees and Housing Capital Investment Plan) / Strategy & Resources Scrutiny Committee

Capital Budget 2016/17 - Outturn

Committee	Original Budget £000	Final Budget £000	Outturn £000	Variance £000	Rephase £000	Over / (Under) Spend £000
Community Services:						
Communities	576	732	675	(57)	74	17
Streets & Open Spaces	1,978	2,364	1,455	(908)	728	(180)
Total Community Services	2,554	3,096	2,130	(965)	802	(163)
Environment:						
Environmental Services & City Centre	750	1,140	739	(401)	394	(7)
Planning Policy & Transport	6,388	6,388	3,151	(3,237)	3,096	(141)
Total Environment	7,138	7,528	3,890	(3,638)	3,490	(148)
Housing						
Housing GF	5,992	5,992	2,900	(3,092)	3,091	(1)
Strategy & Resources:						
Finance & Resources	1,431	27,861	10,203	(17,658)	24,045	6,387
Strategy & Transformation	0	85	25	(60)	60	0
Total Strategy & Resources	1,431	27,946	10,228	(17,718)	24,105	6,387
Total Committees	17,115	44,562	19,148	(25,413)	31,488	6,075
Housing Revenue Account (HRA)	36,526	25,487	22,618	(2,869)	2,896	27
General Fund Housing	745	796	755	(41)	0	(41)
Total for Housing Capital Investment Programme	37,271	26,283	23,373	(2,910)	2,896	(14)
Total Capital Plan	54,386	70,845	42,521	(28,323)	34,384	6,061

Changes between original and final budgets may be made to reflect: and are detailed and approved:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFs)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year

Communities Portfolio / Community Services Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17	Final Budget 2016/17	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
PR033j - 38347	Lammas Land tennis court upgrade (S106)	I Ross	0	45	0	(45)	45	0	Under construction started on 2 May 2017 for three week programme
PR031k - 38291	St Luke's Church: grant for refurbishment of community facilities	J Hanson	8	8	8	(0)	0	(0)	Project complete
PR031l - 38345	Landscaping and play area improvements on green on Bateson Road (S106)	J Parrott	26	26	28	2	0	2	Project complete
PR031m - 38346	Install play equipment at Dundee Close, Discovery Road and Scotland Road play areas (S106)	J Parrott	24	24	28	5	0	5	Project complete
PR031o - 38344	Grant for community facilities at Rowan Humberstone Centre (S106)	J Hanson	0	71	71	0	0	0	Project complete
PR031h - 38290	Trumpington Bowls Club Pavilion Ext. (S106)	I Ross	2	2	2	(0)	0	(0)	COMPLETED - retention money paid this year 16/17
PR032l - 38358	Grant to improve community facilities at Lutheran Church on Shaftesbury Road (S106)	J Hanson	45	45	35	(10)	10	0	Project completed in April 2017
PR032m - 38360	Grant to improve the community room facilities at Rock Road Library (S106)	J Hanson	16	16	16	0	0	0	Project complete
PR032o - 38362	Nightingale Park Community Green Space (S106)	G Belcher	22	22	22	0	0	0	Project complete
PR032p - 38370	Reilly Way play area improvements (S106)	A Wilson	40	40	35	(5)	5	(0)	Project Complete - No further spend only Officer time
PR033o - 38361	Refurbishment of Christ's Piece's Tennis Courts and Fencing (S106)	I Ross	59	59	66	7	0	7	COMPLETED - works complete and facility open - no further payments due
PR034p - 38293	Cambridge 99 Rowing Club: grant for kitchen facilities (S106)	I Ross	5	5	0	(5)	5	0	COMPLETED - awaiting invoice off the club for payment
PR034q - 38294	Cambridge Canoe Club: additional boat and equipment store (S106)	I Ross	8	8	11	3	0	3	COMPLETED
PR041c - 38335	Grant for gym changing rooms and new health suite at Kelsey Kerridge (S106)	I Ross	0	40	40	0	0	0	COMPLETED - no further payments required
PR041d - 38365	Grant to Camrowers and CRA Boathouse (S106)	I Ross	250	250	241	(9)	9	(0)	Project still under construction to be completed and handover May/June 2017.
PR042A - 38336	Improved access to Hodson's Folly (S106)	S Tovell	9	9	7	(2)	0	(2)	PROJECT COMPLETE. Small saving made on improvement works against allocated budget.
SC560 - 38189	Guildhall & Corn Exchange Cap Schemes RO AR9	D Kaye	63	63	62	(1)	0	(1)	Project completed
SC493 - 38154	Jesus Green Tennis Court (S106)	A Wilson	0	0	2	2	0	2	-
Total for Communities Portfolio			576	732	675	(57)	74	17	

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17	Final Budget 2016/17	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
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Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
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- via technical adjustments/virements throughout the year

Streets & Opens Spaces Portfolio / Community Services Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17	Final Budget 2016/17	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
PR040 - 38288	S106 Public Art Projects	A Wilson	0	0	(23)	(23)	0	(23)	-
PR010a - 35523	Environmental Improvements Programme - North Area	J Richards	135	135	58	(77)	77	(0)	Underspend in rolling programme of works due to individual scheme implementation delays and savings on out-turn costs.
PR010b - 35524	Environmental Improvements Programme - South Area	J Richards	178	178	88	(90)	90	(0)	Underspend in rolling programme of works due to individual scheme implementation delays and savings on out-turn costs.
PR010c - 35525	Environmental Improvements Programme - West/Central Area	J Richards	124	124	37	(87)	87	0	Underspend in rolling programme of works due to individual scheme implementation delays and savings on out-turn costs.
PR010d - 35526	Environmental Improvements Programme - East Area	J Richards	167	167	52	(115)	115	(0)	Underspend in rolling programme of works due to individual scheme implementation delays and savings on out-turn costs.
PR037 - 38252	Local Centres Improvement Programme	J Richards	27	27	19	(8)	8	0	Development work on second priority centre (Arbury Court) progressing well with deferral of public consultation due to pre-election period for Arbury ward by-election.
PR037a - 37050	Local Centres Improvement Programme - Cherry Hinton High Street	J Richards	193	193	209	16	0	16	PROJECT COMPLETED. Contractor claim for additional construction costs refuted.
Total Programmes			824	824	439	(385)	377	(8)	-
PR030e - 38258	Cavendish Rd (Mill Rd end) improvements: seating & paving (S106)	J Richards	7	7	6	(1)	1	0	Project has CPB approval. Implementation is awaiting finalisation of the parallel Public Art project recognising the contribution railway workers made to the development of Romsey town.
PR030f - 38259	Bath House Play Area Improvements (S106)	D O'Halloran	57	57	61	4	0	4	Project complete
PR030l - 38341	Ditton Fields play area improvements (S106)	A Wilson	0	38	12	(26)	26	0	Project underway
PR030m - 38342	Dudley Road play area improvements (S106)	A Wilson	0	40	40	(0)	0	(0)	Project Complete - No further spend
PR031i - 38280	Perse Way Flats Play Area (S106)	A Wilson	2	2	1	(1)	0	(1)	Project complete
PR032g - 38269	Cherry Hinton Rec Ground pavilion refurb. (S106)	I Ross	297	297	311	14	5	19	COMPLETED - Retention Money to be paid in 17/18
PR032r - 38371	Install junior fit kit at Accordia development (S106)	A Wilson	15	15	1	(14)	14	0	Proposed amended project has received a very low level of public support arising through local engagement and consultation, and is consequently likely to be abandoned.
PR033c - 38222	Public Art element of improvements to the entrances at Histon Rd Rec (S106)	N Black	2	2	4	2	0	2	Project complete
PR033f - 38272	Histon Rd Rec Ground Improvements (S106)	A Wilson	14	14	7	(7)	0	(7)	Project complete
PR033m - 38348	Benches on Carisbrooke Road green and next to Coton footpath near Wilberforce Road (S106)	A Wilson	3	3	0	(3)	3	0	Delays in determining land owner consents
PR033n - 38351	Shelly Row play area improvements (S106)	A Wilson	50	50	50	0	0	0	Proejct complete
PR033q - 38352	Additional play equipment, benches and landscaping at Christ Piece's play area (S106)	A Wilson	15	15	2	(13)	13	(0)	To be actioned
PR034c - 38226	Drainage of Jesus Green (S106)	A French	6	6	16	10	0	10	Final works now complete (March -17)

Streets & Opens Spaces Portfolio / Community Services Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17	Final Budget 2016/17	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
PR034d - 38227	Public Art - 150th and 400th Anniversary (Cambridge Rules) (S106)	N Black	112	71	35	(36)	36	(0)	Project being delivered by external artists. Delayed due to staffing absence, legal agreement and planning complexity. Now moving forward for completion early to mid 2018. Website up and running and community engagement commenced.
PR034n - 38303	Cambridge Gymnastics Academy: grant for warehouse conversion into gym facility (S106)	I Ross	65	65	0	(65)	65	0	ONGOING- The facility has been completed and open for the last 12 months. North Cambridge Academy have not completed or finalised the Community Use Agreement due to the lease between NCA and the gym club only being concluded in March 2017 which now needs to be in the community use agreement.
PR034o - 38304	Netherhall School: supplementary grant for gym and fitness suite facilities (S106)	I Ross	0	219	20	(199)	0	(199)	Netherhall Academy have postponed the project and are looking to deliver a revised scheme over the summer holidays of 2018.
PR040a - 38295	Public art grant - Big Draw event 2015, Chesterton (S106)	N Black	1	1	1	(0)	0	(0)	Complete
PR040b - 38296	Public art grant - Rock Road library community garden (S106)	N Black	7	7	5	(2)	0	(2)	Complete.
PR040c - 38297	Public art grant - Creating my Cambridge: Clicking to Connectivity (S106)	N Black	15	15	15	0	0	0	Complete. Financial breakdown received and final grant payment made April 2017.
PR040d - 38298	Public art grant - Twilight at the Museums 2016: Animated Light Projection (S106)	N Black	14	14	14	(0)	0	(0)	Complete
PR040e - 38299	Public art grant - Cambridge Sculpture Trails leaflet (S106)	A Wilson	3	3	3	(0)	0	(0)	Complete
PR040f - 38317	Public art grant - Syd Barrett (S106)	S Tovell	2	2	2	0	0	0	Complete. Final snagging issues completed and payment issued March 2017.
PR040g - 38322	Public art grant - Chesterton mural (S106)	S Tovell	1	1	0	(1)	1	0	Still delays on this project due to waiting for building owner to agree design.
PR040i - 38324	Public art grant - History Trails (S106)	S Tovell	5	5	0	(5)	5	0	Complete
PR040j - 38325	Public art grant - Sounds of Steam (S106)	S Tovell	5	5	5	0	0	0	Complete
PR040k - 38326	Public art grant - Mitcham's models at Christmas (S106)	A Wilson	1	1	1	0	0	0	Completed.
PR040l - 38327	Public art grant - Newnham Croft stained glass window (S106)	S Tovell	5	5	0	(5)	5	0	Delays with this project due to health of the artist. Due for completion Summer 2017.
PR040m - 38328	Public art grant - public art at North Cambridge Academy (S106)	S Tovell	5	5	5	0	0	0	Complete.
PR040o - 38330	Public art grant - 'The place where we stand' (S106)	S Tovell	3	3	0	(3)	3	0	Delays. Due to complete 2018.
PR040p - 38331	Public art grant - Life in Trumpington (S106)	S Tovell	1	1	1	(1)	0	(1)	Complete

Streets & Opens Spaces Portfolio / Community Services Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17	Final Budget 2016/17	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
PR041b - 38353	Grant to Cambridge Gymnastics Academy for trampoline and foam pit in gym (S106)	I Ross	75	75	0	(75)	75	0	ONGOING- The facility has been completed and open for the last 12 months. North Cambridge Academy have not completed or finalised the Community Use Agreement due to the lease between NCA and the gym club only being concluded in March 2017 which now needs to be in the community use agreement.
PR041c - 38338	Sheep's Green watercourse improvements and habitat creation (S106)	G Belcher	0	130	85	(45)	45	(0)	Project 95% complete.
SC410 - 38118	Mill Road Cemetery	D Peebles	10	10	10	(0)	0	(0)	Project complete
SC469 - 38131	Vie Public Open Space (S106)	S Tovell	7	7	7	(0)	0	(0)	Project complete
SC548 - 38170	Southern Connections Public Art Commission (S106)	A Wilson	24	24	22	(2)	2	0	Ongoing project dependent on speed of land transfer of the southern fringe site areas to the Council.
SC615 - 38332	Cherry Hinton Grounds Improvements Phase 2 (S106)	A Wilson	180	180	161	(19)	19	(0)	Project 95% complete.
SC625 - 38382	Lammas Land kiosk improvements	J Ogle	20	20	20	(0)	0	(0)	Project completed
SC629 - 38379	Abbey Pools air plant upgrade	I Ross	46	46	46	0	0	0	Project under construction - To complete end of June 17
SC630 - 38380	Abbey Pools solar thermal upgrade	I Ross	49	49	16	(33)	33	(0)	Project nearing completion - To complete end of May 17
Total Projects			1,124	1,510	984	(526)	351	(175)	-
PV016 - 39024	Public Conveniences	A French	30	30	32	2	0	2	Budget provided to advance Silver Street improvement project to feasibility stage. Further feasibility funding will be needed during 2017-18 in order to establish positive business case position for CPB and member consideration. A further small budget may be needed during 2017-18 to close out the final account for the Lion Yard improvement works undertaken during 2014, following recent completion of construction defects.
Total Provisions			30	30	32	2	0	2	-
Total for City Centre & Public Places Portfolio			1,978	2,364	1,455	(908)	728	(180)	-

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and are detailed and approved:

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Environmental Services & City Centre Portfolio / Environment Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
Total for Environmental and Waste Services Portfolio			750	1,140	739	(401)	394	(7)	

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Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC570	Essential Structural/Holding Repairs - Park Street Multi-Storey car park	Sean Cleary	17	17	5	(12)	12	0	3 year repair programme to maintain full operations up until redevelopment. As redevelopment has been delayed continuation of essential repairs are required, we are therefore requesting a roll over of capital funds into 17/18 in the event that further repairs are required prior to redevelopment in approx Feb 18.
SC571	Procurement of IT System to Manage Community Infrastructure Levy	Sara Saunders	20	20	0	(20)	20	0	Implementation contingent on adoption of Local Plan and subsequent adoption of Community Infrastructure Levy which process is separate from the Local Plan
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	Sean Cleary	299	299	51	(248)	248	0	5 year holding repair project, year 3 works ongoing. Currently planning year 4 works for summer 17. The underspend in 2017/18 will need to be rephased into the next financial year.
SC612	Car Parking Control Equipment at multi storey car parks	Sean Cleary	570	570	0	(570)	570	0	Car park equipment installation was programmed in for summer 16. Now delayed until summer 2017 due to on going negotiations with contractor. Spend on project to start in 17/18 with final retention payment due in 18/19. Rephase of the budget into 2017-18 is required.
SC622	Grafton East car park LED Lights	Sean Cleary	137	137	135	(2)	0	(2)	Project complete
SC631	Grand Arcade car Park LED Lights	Sean Cleary	194	194	192	(2)	0	(2)	Project complete
SC634	Grand Arcade and Queen Anne Terrace car parks sprinkler systems	Sean Cleary	0	0	1	1	(1)	0	Project not yet commenced. Work to take place summer 17.
SC623	Environment and cycling improvements in Water Street and Fen Road	A Wilson	50	50	0	(50)	50	0	Project substantially completed. Tree planting to complete Spring 2017. Final account to be agreed with lead authority County Council, and funds transferred.
Total Projects			1,287	1,287	384	(903)	899	(4)	
PV007	Cycleways	J Richards	324	324	12	(312)	312	0	Underspend in rolling programme of works due to saving made on reduced scope of improvements to Green Dragon footbridge arising from public consultation, and delay in bringing alternative schemes forward.

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV018	Bus Shelters	J Richards	110	110	105	(5)	5	0	Final committed phase of city-wide bus shelter improvements nearing completion. Considering development of business case, for consideration by Executive Councillor, of a further phase of improvements to pick up some of the omissions and difficult locations thus far.
PV033B	Street Lighting	J Richards	81	81	76	(5)	5	0	City centre historic core and Kite area improvements' are substantially completed. Potential further utilisation of project saving under discussion with local members and Exec Cllr.
PV532	Cambridge City 20mph Zones Project	J Richards	186	186	201	15	0	15	Long term 5 year phased implementation project forecast to be completed late 2017. There is expected to be a saving on the overall project budget of £600k, with some costs accruing during 2017-18 as work is finalised and accounts agreed. Funding required for 2017-18.
PV549	City Centre Cycle Parking	J Richards	182	182	5	(177)	25	(152)	Underspend due to failure to reach agreement with Magistrates over expansion of Grand Arcade cycle park into their premises. Small scale additions to south of city centre being implemented Spring 2017.
PV594	Green Deal	Jo Dicks	2,510	2,510	1,963	(547)	547	0	Green Deal project now complete
PV595	Green Deal - Private Rental Sector	Jo Dicks	1,655	1,655	397	(1,258)	1,258	0	Green Deal project now complete
Total Provisions			5,048	5,048	2,759	(2,289)	2,152	(137)	
PR039	Minor Highway Improvement Programme	J Richards	53	53	8	(45)	45	0	Rolling programme of improvement works over a 4 year cycle up to 2018, with schemes identified on an annual basis via member engagement and delivery split between the City and County Councils. Final spend figures and contribution split up to 2016-17 to be agreed and appropriate recharges actioned (expecting £17k invoice from County Council imminently).
Total Programmes			53	53	8	(45)	45	0	

Total for Planning Policy & Transport Portfolio	6,388	6,388	3,151	(3,237)	3,096	(141)
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General Fund Housing Portfolio / Housing Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC597	Empty Homes Loans Fund	Y O'Donnell	200	200	0	(200)	200	0	The nature of this scheme is to recycle funds, so a variance is likely to exist on an ongoing basis. Rephase of budget into 2017/18 is requested.
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	10	10	9	(1)	0	(1)	Work to upgrade the facilities at 125 Newmarket Road, with the re-phased budget in 2016/17 to meet residual retention costs. Scheme now finalised.
PV526 / PV564	Clay Farm Community Centre (Phase I - Section 106) and (Phase 2 - Construction)	A Carter	5,782	5,782	2,891	(2,891)	2,891	0	Completion has been delayed due to construction issues. Works have now re-commenced and are due to complete mid July 2017. The projected capital spend remains within budget.
Total Provisions			5,992	5,992	2,900	(3,092)	3,091	(1)	
Total for Housing			5,992	5,992	2,900	(3,092)	3,091	(1)	

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- via technical adjustments/virements throughout the year

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC601	Replacement Telecommunications & Local Area Network	Tony Allen	0	325	138	(187)	187	0	Technical issues have been resolved, which has enabled the project to progress to its conclusion with the expected functionality rolled out to staff. We are now in project closure.
SC605	Replacement Building Access Control System	Will Barfield	50	73	25	(48)	48	0	The completion of the project has been delayed due supplier issues.
SC391	La Mimosa Punting Station	Philip Doggett	0	2	0	(2)	0	(2)	Completed. Any future costs will be met from existing Revenue resources.
SC643	ICT Infrastructure and Server Upgrade	David Edwards	0	602	602	0	0	0	Completed.
SC608	Improvements to Gwydir Enterprise Centre	Dave Prinsep	200	200	4	(196)	196	0	Changes in staff in Estates & Facilities and discovery of some structural issues have delayed scheme.
SC616	General Fund Property Acquisition for Housing Company	Dave Prinsep	0	2,114	8,569	6,455	0	6,455	Completed. The original budget for this project was the loan to Cambridge City Housing Company which is treated as capital expenditure under local government accounting rules. However, a significant element of the build spend was also incurred by the Council in advance of the set up of the company and assignment of the build contracts to the company. This has been offset by an effective capital receipt equal to the value of the build spend incurred by the Council.

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC621	20 Newmarket Road - Commercial Property	Dave Prinsep	0	125	52	(73)	73	0	Delays in completion of scheme due to change of use planning consent being required.
SC604	Replacement Financial Management System	Caroline Ryba	161	242	82	(160)	160	0	Budget rephasing requested to align with revised target date already agreed by shared services management board.
Total Projects			411	3,683	9,472	5,789	664	6,453	
PV192	Development Land on the North Side of Kings Hedges Road	Philip Doggett	10	2	0	(2)	2	0	This is a capital provision whereby we contribute an average of 7.56% of the Arbury Park Development collaboration agreement costs. A budget of £2k needs to be re-phased to the 2017/18 financial year in order to meet the final costs of the scheme.
PV221b	Lion Yard - Contribution to Works - Phase 2	Philip Doggett	40	74	19	(55)	0	(55)	Completed. Final Lion Yard Phase 2 contribution to works invoice was paid in March 2017.
PV583	Clay Farm Commercial Property Construction Costs	Dave Prinsep	375	295	190	(105)	105	0	Variance of £105k is due to budget profiling differences. The overall timing for the project remains on target.

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV554	Development of Land at Clay Farm	Sabrina Walston	269	527	254	(273)	273	0	This is a scheme whereby we contribute 7% of the net costs incurred in respect of the Collaboration Agreement with Countryside Properties. Rate of invoices from Countryside Properties relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in Development Agreement and equates to four years from estimated planning approval.
Total Provisions			694	898	463	(435)	380	(55)	
PR023	Admin Buildings Asset Replacement Programme	Will Barfield	183	29	26	(3)	0	(3)	Completed. There will be no further expenditure on this programme.
PR024	Commercial Properties Asset Replacement Programme	Will Barfield	143	144	136	(8)	0	(8)	Completed. Dales Brewery re-roofing project has been completed. There will be no further expenditure on this programme.
PR050a	Relocation of Services to 130 Cowley Road (OAS)	Will Barfield	0	507	28	(479)	479	0	Tenders received for projects in early 2017 exceed the current budget. A project review has been completed and projects will be re-submitted to Strategy & Resources Scrutiny Committee for approval in July 2017.

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR050b	Mandela House Refurbishment (OAS)	Will Barfield	0	1,350	43	(1,307)	1,307	0	Tenders received for projects in early 2017 exceed the current budget. A project review has been completed and projects will be re-submitted to Strategy & Resources Scrutiny Committee for approval in July 2017.
PR050e	Cowley Road Compound ex-Park and Ride Site (OAS)	Will Barfield	0	586	20	(566)	566	0	Tenders received for projects in early 2017 exceed the current budget. A project review has been completed and projects will be re-submitted to Strategy & Resources Scrutiny Committee for approval in July 2017.
PR050	Office Accommodation Strategy Phase 2	Frances Barratt	0	587	0	(587)	587	0	These funds represent the balance of the Capital earmarked reserves for Phase 2 of the Office Accommodation Strategy. Budgets will be established as schemes come forward.
PR050c	Refurnishing Guildhall 4th Floor (OAS)	Frances Barratt	0	57	15	(42)	42	0	Change of date for transfer of Legal Services' accommodation to South Cambridgeshire District Council has had a knock on effect for the remainder of projects. Remaining budget needs to therefore be re-phased to the 2017/18 financial year.
PR050d	Mobile Working (OAS)	Frances Barratt	0	20	0	(20)	20	0	Funding is focused on technology investment required throughout the duration of Phase 2 of the Office Accommodation Strategy. Slippage on refurbishment projects has resulted in a need to re-profile expenditure to the 2017/18 financial year.

Finance & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR038	Investment in Commercial Property Portfolio	Dave Prinsep	0	20,000	0	(20,000)	20,000	0	Budget needs to be re-phased to the 2017/18 financial year in order to align the budget with expenditure forecasts. £7.637 million spent on 2 acquisitions in April 2017.
Total Programmes			326	23,280	268	(23,012)	23,001	(11)	
Total for Finance & Resources Portfolio			1,431	27,861	10,203	(17,658)	24,045	6,387	

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Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2016/17 £000	Final Budget 2016/17 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC613 - 38320	Dedicated wi-fi frequency for Cambridge CCTV cameras	L KilKelly	0	25	25	(0)	0	(0)	Project complete
SC614 - 38321	Redeployable CCTV camera stock	L KilKelly	0	60	0	(60)	60	0	New cameras on order March 17 and delivered April 2017. Will be fully operational by Sep 17
Total Projects			0	85	25	(60)	60	(0)	
Total for Strategy & Transformation Portfolio			0	85	25	(60)	60	(0)	

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Changes between original and final budgets may be made to reflect:

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- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year

2016/17 Housing Capital Investment Plan - HRA & General Fund Housing

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget
							2017/18 £000's	2018/19 £000's	2019/20 £000's	Post 2019/20 £000's	2017/18 £000's
General Fund Housing Capital Spend											
Investment in Non-HRA Affordable Housing	0	0	0	0			0	0	0	0	0
Other General Fund Housing	745	796	755	(41)		1	0	0	0	0	797
Total General Fund Housing Capital Spend	745	796	755	(41)	0		0	0	0	0	797
HRA Capital Spend											
Decent Homes Programme	5,350	4,771	4,457	(314)	715	2	487	123	80	25	6,657
Other Spend on HRA Stock	3,296	3,150	2,339	(811)	447	3	447	0	0	0	2,489
HRA New Build & Acquisition	22,905	16,452	15,181	(1,271)	1,186	4	1,186	0	0	0	35,643
City Homes Estate Improvement Programme	0	52	20	(32)	21	5	21	0	0	0	21
Sheltered Housing Capital Investment	2,408	528	187	(341)	341	6	341	0	0	0	2,137
Other HRA Capital Spend	344	534	434	(100)	186	7	186	0	0	0	1,016
Inflation Allowance	2,223	0	0	0			0	0	0	0	1,171
Total HRA Capital Spend	36,526	25,487	22,618	(2,869)	2,896		2,668	123	80	25	49,134
Total Housing Capital Spend	37,271	26,283	23,373	(2,910)	2,896		2,668	123	80	25	49,931
Housing Capital Resources											
Right to Buy Receipts (General Use)	(522)	(302)	(519)	(217)	0	8	0	0	0	0	(305)
Right to Buy Receipts (Retained for New Build / Acquisition)	(5,242)	(3,116)	(6,745)	(3,629)	0	8	0	0	0	0	(8,464)
Right to Buy Receipts (Debt Set-Aside)	0	0	(1,798)	(1,798)	0	8	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	(1,532)	(1,612)	(80)	0	9	0	0	0	0	0
MRA / MRR	(10,292)	(923)	(5,990)	(5,067)	5,067	10	5,067	0	0	0	(13,484)
Client Contributions	0	0	(297)	(297)	0	11	0	0	0	0	0
Direct Revenue Financing of Capital	(11,239)	(10,758)	(10,569)	189	(189)	12	(189)	0	0	0	(1,115)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments / BSR)	(2,755)	(2,890)	(1,665)	1,225	(1,164)	13	(1,164)	0	0	0	(19,309)
Prudential Borrowing	0	0	0	0	0		0	0	0	0	0
Total Housing Capital Resources	(30,050)	(19,521)	(29,195)	(9,674)	3,714		3,714	0	0	0	(42,677)
Net (Surplus) / Deficit of Resources	7,221	6,762	(5,822)	(12,584)			6,382	123	80	25	7,254
Capital Balances b/f	(23,794)	(23,794)	(23,794)								(10,203)
Use of / (Contribution to) Balances in Year	7,221	6,762	(5,822)				6,382	123	80	25	7,254
Set-aside for future Debt Redemption	5,079	5,079	6,877			8					
Ear-marked for specific Retained Right to Buy Receipts 1-4-1 Investment	9,047	9,047	12,536			8					
Residual capital resources remaining to fund future Housing Investment Programme	(2,447)	(2,906)	(10,203)								(2,949)

Changes between original and final budgets may be made to reflect:

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and are detailed and approved:

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- in September (as part of the Medium Term Financial Strategy - MTFS)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	Overspending of £75,000 in respect of Disabled Facilities Grants, is more than offset by underspending in Private Sector Grants of £119,000. A small overspend of £3,000 in respect of the choice based lettings IT implementation was evident at the end of the project.
2	A net underspend of £314,000 in decent homes expenditure during 2016/17 is a combination of under and overspending against the specific decent homes elements. Overspending in wall structure (£110,000), HHSRS (£110,000), re-roofing (£15,000) and entrance doors (£6,000), is more than offset by underspending in kitchens (£84,000), bathrooms (£80,000), other health and safety works (£52,000), roof structure works (£19,000), re-wiring (£346,000), energy and insulation works (£105,000), central heating (£39,000), major voids (£59,000), sulphate (£25,000), chimneys (£15,000) and internal officer fees (£50,000). These variances are before accounting for leaseholder income, which is reported separately. Contractor overheads shows an apparent overspend of £316,000 against decent homes works, but is offset by an underspend in overheads against other HRA works of £375,000. Re-phasing of underspending in 2016/17 into 2017/18 is requested in respect of energy improvements (£94,000), major voids (£59,000), Re-wiring (£220,000), re-roofing (£27,000), other health and safety works (£62,000) and roof structure works (£25,000). Re-phasing into 2018/19 is requested in respect of kitchens (£84,000) and central heating (£39,000), and into 2019/20 in respect of bathrooms (£80,000). £25,000 in respect of sulphate remedial works is to be re-phased to the end of the sulphate programme.
3	A net underspend of £811,000 was evident in 2016/17, combining underspending in a number of areas where work is still required and funds will need to be re-phased into 2017/18, including; disabled adaptations (£49,000), communal area works (£136,000, with £182,000 to be re-phased after recognition of leasehold income), asbestos (£50,000, all to be re-phased), internal officer fees (£18,000), garages (£23,000, all to be re-phased), hard-surfacing works (£59,000, all to be re-phased), communal floor coverings (£58,000, with £28,000 to be re-phased), fire works (£71,000, with £46,000 to be re-phased) and contractor overheads (£375,000, with £59,000 to be re-phased after offset against the overspend in decent homes overheads). Overspending in lifts and door entry systems of £29,000 was reported at year end, before recognition of leasehold income.
4	The net underspend in the new build programme in 2016/17 relates to a combination of delays in delivery in some areas of the programme, coupled with spending ahead of profile in respect other schemes. Negative re-phasing of £247,000 is required, recognising earlier than budgeted use of resource for the Water Lane (£100,000), Hawkins Road (£39,000) and Fulbourn Road (£108,000) sites in 2016/17. Slippage of resource for Clay Farm (£142,000), Anstey Way (£465,000), Akeman Street (£129,000) and the 2015/16 garage sites (£697,000) is requested into 2017/18. The profile of spending on all of these schemes will be reviewed again as part of the HRA Medium Term Financial Strategy, in the light of resources held and the timeframes in which expenditure must be incurred within.
5	Some of the projects identified as part of the last phase of the City Homes Estate Improvement Programme are yet to be completed and resources of £21,000, for the underspend of £32,000, are requested to be carried forward into 2017/18 to allow these projects to take place.
6	Underspending of £341,000 in respect of the budget for work to re-develop Ditchburn Place is requested to be re-phased into 2017/18 to allow this scheme, which is now on site, to progress in phases across a 30 month build programme, which will result in the re-provision of flats for the purpose extra care housing for a minimum of 30 residents, but with the capacity for utilising all 50 units for this purpose in the future if required.

7	A net underspend of £100,000 in this area of the programme comprises a higher level of activity in respect of shared ownership re-purchase in 2016/17 (£112,000 over budget), more than offset by delays in the project to re-locate Stores to Cowley Road (£130,000). Funding to upgrade aspects of housing IT system has not been utilised in 2016/17, due to the decision to re-procure the entire system, with a request to re-phase the underspend of £23,000 into 2017/18 to meet any required preliminary investment. The balance of funding for projects to introduce the Cambridge Public Sector IT Network (£23,000) will not now be required, whilst funding to complete works to HRA commercial premises (£33,000) is requested as a carry forward into 2017/18 to allow completion of all ongoing projects.
8	58 properties were sold in total during 2016/17. £519,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £1,798,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £6,745,000 of right to buy receipts have been retained by the local authority in 2016/17, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame. The authority is required to invest a significant sum during 2017/18 to ensure that it meets its responsibilities under the retention agreement, and this is likely to mean the acquisition of further dwellings on the open market, as insufficient new build schemes are expected to deliver in the required timeframes, otherwise putting the receipts at risk of being returned.
9	Capital receipts totalling £1,612,000 in respect of the sale of property on the open market coupled with the value of land transfer for the market housing at some of the new build / re-development sites, were accounted for in 2016/17. The receipts have been, or will be, used to 70% match fund retained right to buy receipts in 2016/17 and beyond. The over-achievement in receipts of £80,000 was in respect of an adjustment to the recognised notional land value for the Wadlows Road scheme.
10	The major repairs reserve was used to finance decent homes and other investment in the housing stock expenditure in 2016/17 as opposed to utilising capital balances. The effect of this will be to reduce the use of capital receipts in 2016/17, leaving them available for wider investment purposes in 2017/18 and to reduce the use of the major repairs reserve in 2017/18, where use of this resource is more limited.
11	Income was recovered from leaseholders in 2016/17 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£246,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£51,000).
12	Due to marginal slippage in the housing capital plan in 2016/17, the use of revenue funding for capital purposes was less than anticipated. A request to adjust the use of revenue funding of capital expenditure in 2017/18, resulting in the deferred use of £189,000, will ensure that there is sufficient funding to meet the re-phased expenditure requested above.
13	Receipts from the re-sale of shared ownership dwellings in 2016/17 were less than estimated, but this was partially offset by the receipt of repair assistance loan repayments, which are not budgeted for as they can't be anticipated. Anticipated capital receipts for the sale of the shared ownership units on the Homerton site (£795,000) and for a sale at Water Lane (£369,000) were not realised in 2016/17, and the expected benefit of this resource has been deferred until 2017/18.

Present: Councillors Barnett (Chair), Baigent (Vice-Chair), Abbott, Bick, Cantrill, and Sinnott

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES – COUNCILLOR ROBERTSON)</p>

Annual Treasury Management (Outturn) Report 2016/17

The Council is required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.

The report met the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) in respect of 2016/17.

The report also included information on capital activity during the year together with associated prudential & treasury indicators.

In line with the Code of Practice on Treasury Management all treasury management reports have been presented to Strategy and Resources Scrutiny Committee and to Full Council.

The Strategy and Resource Scrutiny Committee considered and approved the recommendations by 4 votes to 0.

Accordingly, Council is recommended to:

- i. Approve the report which included the Council's actual Prudential and Treasury Indicators for 2016/17.

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To: The Executive Councillor for Finance & Resources:
Councillor Richard Robertson
Report by: Head of Finance (The Council's Section 151 Officer)
Relevant scrutiny Strategy & Resources 03/07/2017
committee: Scrutiny Committee
Wards affected: All Wards

ANNUAL TREASURY MANAGEMENT (OUTTURN) REPORT 2016/17

Key Decision

1. Executive summary

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.
- 1.2 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) in respect of 2016/17.
- 1.3 During 2016/17 the minimum requirements were that Council should receive:-
 - An annual strategy in advance of the year;
 - A mid-year treasury update report; and;
 - An annual review following the end of the year describing the activity compared to the strategy (this report)
- 1.4 In line with the above Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and to full Council.

2. Recommendations

- 2.1 The Executive Councillor is asked to recommend this report to Council, which includes the Council's actual Prudential and Treasury Indicators for 2016/17.

3. Background

3.1 This report summarises:

- Capital expenditure and financing activity during the year;
- The impact of capital spending on the Council's 'need to borrow';
- The Council's compliance with prudential & treasury indicators;
- Treasury Management Position as at 31st March 2017 (Appendix A);
- The Council's Treasury Management advisors (Capita Treasury Solutions Ltd) view on UK Interest & Investment rates (Appendix B);
- The actual prudential and treasury indicators (Appendix C);
- Counterparty List (Appendix D); and;
- A Glossary of Terms and Abbreviations (Appendix E)

3.2 The Council's Capital Expenditure and Financing 2016/17

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

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

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2015/16 £'000 Actual	2016/17 £'000 Current Budget *	2016/17 £'000 Actual
General Fund capital expenditure	26,430	44,584	19,965
HRA capital expenditure	32,572	25,487	22,618
Total capital expenditure	59,002	70,071	42,583
Resourced by:			
• Capital receipts	-11,191	-4,032	-12,353
• Other contributions	-43,200	-43,825	-25,510
Total available resources for financing capital expenditure	-54,391	-47,857	-37,863
Un-financed capital expenditure	4,611	22,214	4,720

* Per Budget Setting Report (BSR) agreed by Council on 23rd February 2017

3.3 Loan to Cambridge Housing Company

General Fund capital expenditure for 2016/17 includes a £7,500k loan to Cambridge City Housing Company (CCHC), a wholly owned subsidiary of the Council. This loan has been provided for a fixed term of 3 years to enable CCHC to purchase 23 homes for rental at intermediate market rent.

3.4 The Council's overall borrowing need

During 2016/17, there was no requirement for external borrowing. Un-financed capital expenditure of £4,720k shown in the above table was met from internal cash borrowing. This movement is comprised of the £7,500k loan to CCHC and expenditure on the construction of Clay Farm community centre of £2,506k, less the application of a capital receipt of £5,286k to capital expenditure which was unfinanced as at the end of the previous financial year.

3.5 Current Debt as at 31st March 2017

The table below shows the Council's current outstanding debt and headroom (the amount of additional borrowing that is possible without breaching the Authorised Borrowing Limit):-

	Principal (£'000)
Authorised Borrowing Limit (A) – Agreed by Council on 20 th October 2011	250,000
HRA Debt Limit (B)	230,839
PWLB Borrowing (for HRA Self-Financing, C)	213,572
General Fund Headroom (A minus B)	19,161
HRA Headroom (B minus C)	17,267
2012/13, 2013/14, 2014/15, 2015/16 and 2016/17 External Borrowing	NIL
Total Current Headroom (A minus C)	36,428

At present the only debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA.

3.6 Treasury Position as at 31 March 2017

The Council's debt and deposit position is managed in order to ensure adequate liquidity for revenue and capital activities, security for deposits and to manage risk in relation to all treasury management activities. Procedures and controls to achieve these objectives are well established both through the application of approved Treasury Management Practices and regular reporting to Members.

All funds are internally managed.

The tables below provide a comparison of deposit activity and outturn for 2016/17 against 2015/16.

<u>Actual Returns</u>	2015/2016		2016/2017	
	Average Deposits (£m)	Average Rate of Return	Average Deposits (£m)	Average Rate of Return
Fixed Short-Term (<365 days)	70.42	0.83%	50.18	0.64%
Call/Overnight Accounts	17.96	0.70%	8.74	0.57%
Enhanced Cash Funds	-	-	7.47	0.73%
Fixed Long-Term (>365 days)	11.35	1.04%	24.67	0.93%
Money Market Funds	10.42	0.49%	15.56	0.39%
CCLA Local Authorities' Property Fund	10.00	4.75%	11.68	4.84%
<u>Overall Deposit Return</u>	120.15	1.13%	118.30	1.09%
<u>Benchmark Returns</u>	2015/2016		2016/2017	
	Offer (LIBOR)	Bid (LIBID)	Offer (LIBOR)	Bid (LIBID)
Average	0.63%	0.51%	0.47%	0.35%

Notes:

The 'Benchmark Return' figures are based upon Global Rates (national interest rate reporting web-site) average money market LIBOR and LIBID rates for periods between 1 night and 1 year as at 31st March 2017.

The Council started using Enhanced Cash Funds during 2016/17 as these offer better rates than money market funds. Enhanced Cash Funds are used for a longer term period, hence the better rates achieved.

- 3.7 Total interest and dividends of £922,000 have been earned on the Council's deposits during 2016/17 at an average rate of 1.09%. This exceeded the budget of £899,000. The rate of return compares favourably with the average benchmark rates.
- 3.8 The Council deposited an additional £5m with the CCLA Local Authorities' Property Fund on 30th November 2016 (now totalling £15m). The interest earned for 2016/17 amounted to £546,000

(included in paragraph 3.7) which equated to an annual yield of 4.84%.

3.9 A summary of deposits is shown at Appendix A.

4. Interest Rate Update

4.1 Capita Asset Services is the Council's independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of market interest and investment rates. Capita's opinion is presented at Appendix B, and provides an overview as at 31st March 2017.

4.2 The Bank of England's May 2017 Inflation Report gives additional information on growth, inflation and interest rates. The Bank of England's Monetary Policy Committee (MPC) noted that the outlook for growth remains reasonably solid. No changes to interest rates (0.25%) or quantitative easing (£435bn) were made. Noticeable increases in employment were observed, but the MPC expressed concerns around the possible impact of the EU Referendum.

Growth had also moderated to around 1.5% by the second half of last year. The MPC sets monetary policy to meet the 2% inflation target, which helps to sustain growth and employment. However, CPI Inflation has risen above this target as the depreciation of sterling has begun to feed through to consumer prices.

5. Prudential and Treasury Indicators

5.1 During the financial year the Council operated within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The outturn for Prudential and Treasury Indicators is shown in Appendix C.

6. Revisions to the Counterparty List

6.1 Following a review of rating agency methodology changes, Capita continues to revise its recommendations on counterparties and appropriate durations. The Council follows Capita's recommendations as reflected in the Current Counterparty List at Appendix D.

6.2 Fitch Rating Agency has amended its Volatility Rating (VR) Scales for Enhanced Cash Funds to 'S1' - 'S6' (formerly 'V1' - 'V6'). S1 being the lowest VR risk of loss through market movement. These changes have been reflected within Appendix D. The VR shows the probability of any potential loss amount due to market risk.

6.3 **Market risk** is the risk of losses in positions arising from movements in market prices.

6.4 For clarity, therefore, this Council will use the following revised ratings (and not below these) when evaluating which Enhanced Cash Fund to invest in:-

Standard & Poor's – AAAf/S1

Fitch – AAA/S1

7. Implications

(a) Financial Implications

Interest payable and receivable are reflected in the Council's existing budgets and reviewed appropriately.

(b) Staffing Implications

None.

(c) Equality & Poverty Implications

No negative impacts identified.

(d) Environmental Implications

None.

(e) Procurement

None.

(f) Consultation and communication

None required.

(g) Community Safety

No community safety implications.

8. Background papers

8.1 None.

9. Appendices

- 9.1 Appendix A – The Council's deposits as at 31st March 2017
- Appendix B – Capita's opinion on UK interest rates
- Appendix C – Prudential Indicators – Outturn for 2016/17
- Appendix D – Current Counterparty List
- Appendix E – Glossary of Terms and Abbreviations

10. Inspection of papers

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

Author's Name:
Author's Tel. No.
Author's Email:

Stephen Bevis
01223 - 458153
stephen.bevis@cambridge.gov.uk

TREASURY MANAGEMENT POSITION AS AT 31st March 2017

CURRENT DEPOSITS

The Council's deposits as at 31st March 2017 are shown in the table below:-

Counterparty	% Rate	Duration	Principal (£'000)
Fixed Term Deposits			
Bank of Scotland Plc	0.45	3 months	6,000
Bank of Scotland Plc	0.60	6 months	2,000
Bank of Scotland Plc	0.60	6 months	2,000
Bank of Scotland Plc	0.60	6 months	2,000
Bank of Scotland Plc	0.55	6 months	3,000
Bank of Scotland Plc	0.45	3 months	2,000
Bank of Scotland Plc	0.45	3 months	3,000
Liverpool City Council	0.70	2 years	5,000
Lloyds Bank Plc	0.55	6 months	2,500
Lloyds Bank Plc	0.60	6 months	7,500
Lloyds Bank Plc	0.60	6 months	5,000
Nottingham City Council	0.31	1.5 months	2,000
Newcastle-upon-Tyne City Council	0.95	2 years	2,000
Newcastle-upon-Tyne City Council	0.95	2 years	4,000
Newport City Council	1.10	28 months	3,000
Newport City Council	1.00	28 months	3,000
North Lanarkshire Council	0.95	2 years	5,000
Rugby Borough Council	0.60	2 years	5,000
Surrey Heath Borough Council	0.40	3 months	2,000
West Dunbartonshire Council	0.95	2 years	5,000
Total Fixed Term Deposits			71,000
Variable Rate Notice Accounts			
Barclays Bank Plc	0.15	Same Day Notice	435
CCLA Local Authorities' Property Fund	4.58	5 years	15,000
SLI Sterling Liquidity Fund (Class 2)	0.28463	Same Day Notice	12,200
BNP Paribas Insticash Sterling (Institutional)	0.29799	Same Day Notice	2,000
Payden Sterling Reserve Fund	0.68239	4 Day	5,000
Royal London Cash Plus Fund Y (Gross Inc)	0.59392	3 Day	5,000
Total Variable Rate Notice Accounts			39,635
TOTAL	-	-	110,635

The above deposits include any forward-deals or forward-renewals that have been agreed (i.e. where the deposit/renewal will take place at a future date).

**CAPITA'S OPINION ON UK INTEREST & INVESTMENT RATES
AS AT 31ST MARCH 2017**

The two major landmark events that had a significant influence on financial markets in the 2016-17 financial year were the UK EU referendum on 23 June and the election of President Trump in the USA on 9 November. The first event had an immediate impact in terms of market expectations of when the first increase in Bank Rate would happen, pushing it back from quarter 3 2018 to quarter 4 2019. At its 4 August meeting, the Monetary Policy Committee (MPC) cut Bank Rate from 0.50% to 0.25% and the Bank of England's Inflation Report produced forecasts warning of a major shock to economic activity in the UK, which would cause economic growth to fall almost to zero in the second half of 2016. The MPC also warned that it would be considering cutting Bank Rate again towards the end of 2016 in order to support growth. In addition, it restarted quantitative easing with purchases of £60bn of gilts and £10bn of corporate bonds, and also introduced the Term Funding Scheme whereby potentially £100bn of cheap financing was made available to banks.

In the second half of 2016, the UK economy confounded the Bank's pessimistic forecasts of August. After a disappointing quarter 1 of only +0.20% GDP growth, the three subsequent quarters of 2016 came in at +0.60%, +0.50% and +0.70% to produce an annual growth for 2016 overall, compared to 2015, of no less than 1.8%, which was very nearly the fastest rate of growth of any of the G7 countries. Needless to say, this meant that the MPC did not cut Bank Rate again after August but, since then, inflation has risen rapidly due to the effects of the sharp devaluation of sterling after the referendum.

Capita's Prediction for Interest Rates

The following table shows when Capita predict interest rates will rise, together with an estimate of other interest rates. Capita estimate that the Bank Rate will rise from 0.25% to 0.50% in June 2019.

	NOW	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
3 month LIBID	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 month LIBID	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 month LIBID	0.60	0.60	0.60	0.60	0.70	0.70	0.80	0.80	0.90	1.00	1.10	1.20	1.30	1.40
5 yr PWLB	1.20	1.20	1.40	1.40	1.50	1.60	1.70	1.70	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.90	1.90	2.00	2.10	2.20	2.30	2.30	2.40	2.40	2.50	2.50	2.60	2.80	2.70
25 yr PWLB	2.60	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.30
50 yr PWLB	2.40	2.40	2.50	2.60	2.70	2.70	2.80	2.80	2.90	2.90	3.00	3.00	3.10	3.10

Capita's Issue Date:- 17th May 2017

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2015/16 £'000	Current Budget* 2016/17 £'000	Actual 2016/17 £'000
PRUDENTIAL INDICATORS			
Capital expenditure			
- General Fund	26,430	44,584	19,965
- HRA	32,572	25,487	22,618
Total	59,002	70,071	42,583
Capital Financing Requirement (CFR) as at 31 March			
- General Fund	5,976	27,899	10,697
- HRA	214,457	214,748	214,321
Total	220,433	242,647	225,018
Change in the CFR (Note 2)	4,421	22,214	4,585
Deposits at 31 March (Note 3)	96,060	95,486	110,635
External Gross Debt	213,572	213,572	213,572
Ratio of financing costs to net revenue stream			
-General Fund	-3.51%	-1.28%	-1.82%
-HRA	17.03%	16.14%	16.96%
Total	13.52%	14.86%	15.14%

*Note1: Refers to the Council's Budget Setting Report 2016/17 as agreed by Council on 23rd February 2017.

Note 2: Includes unfinanced capital expenditure of £4,720k and statutory adjustment for HRA non-dwelling revaluation losses

Note 3: As per the Council's Balance Sheet.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2015/16 £'000	Current Budget* 2016/17 £'000	Actual 2016/17 £'000
TREASURY INDICATORS			
Authorised limit			
for borrowing	250,000	250,000	250,000
for other long term liabilities	0	0	0
Total	250,000	250,000	250,000
HRA Debt Limit	230,839	230,839	230,839
Operational boundary			
for borrowing	220,433	242,647	225,018
for other long term liabilities	0	0	0
Total	220,433	242,647	225,018
Upper limit for total principal sums deposited for over 364 days & up to 5 years			
	40,000	50,000	50,000
Upper limit for fixed & variable interest rate exposure			
Net interest on fixed rate borrowing/deposits	6,141	7,140	7,062
Net interest on variable rate borrowing/deposits	-29	-27	-27
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit
10 years and above (PWLB borrowing for HRA Reform)		100%	100%

*Note1: Refers to the Council's Budget Setting Report 2016/17 as agreed by Council on 23rd February 2017.

Annual Treasury Management (Outturn) Report 2016/17

Current Counterparty List

The full listing of approved counterparties is shown below, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits. These counterparties have also been shown under Specified and Non-Specified Investments (in line with DCLG Guidance).

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 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 (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/S1)	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	Society Asset Value (£'m) – as at 5 th May 2017	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		45,162	
Coventry Building Society		37,632	
Skipton Building Society		17,827	Assets between £50,000m and £99,999m - £5m
Leeds Building Society		16,485	
Principality Building Society		8,124	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)
Cambridge City council Housing Working Capital Loan Facility	Up to 1 year	Loan	200,000

Name	Council's Current Deposit Period	Category	Limit (£)
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/S1)	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.

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 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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<p style="text-align: center;">RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES - COUNCILLOR ROBERTSON)</p>

COUNCIL OFFICE ACCOMMODATION- APPROVAL OF CAPITAL FUNDING

A report to Strategy and Resources Committee on 3 July detailed refurbishment schemes required under the already approved Office Accommodation Strategy. It highlighted that there was a need to provide additional capital funding for Mandela House totalling £450,000 for additional work outside the original approved scheme. This will be met from General Fund reserves and the overall position will be reflected in the Medium-Term Financial Strategy reporting to the next Council meeting.

The Strategy and Resource Scrutiny Committee considered and approved the recommendations by 6 votes to 0.

Accordingly, Council is recommended to:

- i. Approve additional funding for the Office Accommodation Scheme of £450,000 to be met from General Fund Reserves.

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To: The Executive Councillor for Finance and Resources

Report by: David Edwards, Strategic Director

Relevant scrutiny committee: Strategy and Resources Scrutiny Committee 3 July 2017

Wards affected: none

Office Accommodation Strategy

Key decision

The appendix to the report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive summary

The report presents the outcomes of the design and procurement scheme at Mandela House for the Office Accommodation Strategy. It presents the capital funding requirements of the scheme and the proposals for award of contract. The additional funding requirements relate to essential maintenance requirements at Mandela House.

It is essential to progress the Mandela House project in order to meet the timescales to vacate Hobson House by March 2018.

The Mandela House and Cowley Road schemes affect around 46 % of the Council's staff, approximately 380 staff are directly affected by moves to their operational locations and the refurbishment projects.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the scope of the refurbishment schemes, subject to approval of Capital Funding by Council, for Mandela House.
- 2.2 Recommend to Council the additional capital funding for the scheme which would be funded from reserves.
- 2.3 Subject to the agreed funding from Council approve the award of Contract for Mandela House and furniture as described on the exempt appendix 1.

3. Background

- 3.1 The Office Accommodation Strategy (OAS) was presented to Strategy and Resources Committee on 18 January 2016. The Executive Councillor approved the short to medium term aims to consolidate administrative offices into The Guildhall, Mandela House and 171 Arbury Road and the relocation of operational, depot-based services to two sites at Cowley Road. This will be achieved by the refurbishment of retained buildings to create suitable and flexible workspaces, consolidation of desk and floor space to maximise use and the introduction of SMART working practices such as shared office spaces and flexible working arrangements.
- 3.2 The OAS seeks to significantly reduce the overall office accommodation by releasing Hobson House, Mill Road Depot and 89 Cherry Hinton Road from operational use thereby reducing operating costs and producing additional income and capital receipts. A lease of smaller operational (depot management) premises has also been taken on at 130 Cowley Road.
- 3.3 Mill Road Depot is to be used for housing development and Hobson House (which is being sold by Cambridge United Charities) are scheduled to be vacated by end March 2018. This is contingent upon the Mandela House, 130 Cowley Road and The Compound Cowley Road schemes being completed in time.
- 3.4 Our ability to vacate Hobson House by March 2018 is contingent on the Mandela House scheme being approved and progressing to timescale. Staff currently located at Hobson House are scheduled to transfer into Mandela House upon completion of the refurbishments. Our occupancy at Hobson House has been extended to 31 March 2018 by agreement with Cambridge United Charities but it is unlikely that a further extension will be forthcoming as the Charity now has a viable offer for the sale of the premises. The estimated

time required for works at Mandela House is five to six months from start on site which means that the contract will need to be awarded by no later than mid-August to allow sufficient provision for any constructional delays and for the re-location of staff to the converted Mandela House offices on completion.

- 3.5 In addition to the final refurbishment and refurnishing schemes developed for the OAS for Mandela House other corporate objectives are being met including:
- a. delivering of planned or essential maintenance works identified during detailed survey work that is more cost effective to do at the same time as the OAS works
 - b. delivering improvements that support, and are included in, the Carbon Management Strategy
- 3.6 At Strategy and Resources Committee meeting on 20 March 2017 the Executive Councillor approved the works at Mandela House, 130 Cowley Road and the Cowley Road Park & Ride site, subject to the tendered prices for work being acceptable, and authorised the Strategic Director to award contracts for the appointment of contractors.
- 3.7 Competitive tendering and post tender evaluations have since been completed for the Mandela House Contract and for the associated office furniture procurement contract. There was a good response to invitation to tender but the combined cost of OAS, essential building maintenance and Carbon Management Plan works has exceeded the predictions of our appointed cost consultants and therefore come out above the previously approved budget. The scheme has again been reviewed to ensure that it is fit for purpose and it has been identified, that to meet all of the Council's objectives, additional funding of £450,000 is required. The additional costs are primarily to address the needs of the unexpected building maintenance and essential works that would otherwise have to be progressed through separate capital bids, rather than any over provision or revised specification in the overall office accommodation needs.
- 3.8 The revised schemes for 130 Cowley Road and The Compound (the former park and ride site) at Cowley Road have been re-presented to original tenderers to be repriced. It is anticipated that these revised schemes will come within the budget provision.

3.9 The schemes – update

Mandela House

3.9.1 The refurbishment involves works to create open plan working areas and meeting room facilities, new and refurbished welfare facilities across three floors, redecoration, new floor coverings, re-routing of electrical and data cabling services, new LED lighting, and mechanical services (heating, cooling and ventilation). Building Services (heating, ventilation, cooling, electrical services, lighting and data services) shall meet the requirements of increased building occupancy.

Essential building repair works at Mandela House.

3.9.2 The detailed survey work for Mandela House identified that elements of the existing structure and services were in worse condition than anticipated and in need of repair or replacement. This is not uncommon with complicated buildings of this type but the extent of work can only be fully realised after invasive investigation of the type undertaken for the proposed alteration scheme. The works identified would have required attention within the next 1-5 years so it is prudent, and cost effective to include the work as part of the alterations rather than carry out short term repairs and then re-visit the building for permanent, disruptive, repairs in the next few years.

3.9.3 These costs were not included in the overall OAS budget provision but it was hoped these costs could be contained within the original budget. Detailed inspection, design and tendering have confirmed that this will not be possible.

3.9.4 The works identified as repairs/improvements, and which would be required regardless of the OAS delivery are:

Building maintenance and energy efficiency work proposed for incorporation into the final programme of work	
New LED lighting installation including wiring (£50k of CMP funding already included in works budget)	£ 152,000
Replacement boiler and adjustments to heating system (£9k of CMP funding already included in works budget)	£ 40,000
Roofing repairs	£ 60,000
Fire system replacement	£ 17,000
New building management system to replace obsolete item	£ 37,000
New mechanical ventilation system / air conditioning	£ 225,000
De-commissioning and removal of obsolete lift	£ 10,000
Allowance for works to windows	£ 3,000
Replacement fire fighting equipment	£ 6,000
Assistance call system for fire refuges	£ 5,000
Access system / powered doors	£ 5,000
Replacement hot water supply system	£ 8,000
Replacement data distribution system	£ 27,000
Contract preliminaries associated with building work	£ 41,000
Total	£ 636,000

original budget approved from Carbon Management Plan/other sources	net increase in overall project cost
£ 50,000	£ 102,000
£ 9,000	£ 31,000
£ -	£ 60,000
£ -	£ 17,000
£ -	£ 37,000
£ 127,000	£ 98,000
£ -	£ 10,000
£ -	£ 3,000
£ -	£ 6,000
£ -	£ 5,000
£ -	£ 5,000
£ -	£ 8,000
£ -	£ 27,000
£ -	£ 41,000
£ 186,000	£ 450,000

130 Cowley Road

3.9.5 The refurbishment involves converting an industrial warehouse with offices and showroom space into modern, functional office space and a stores/warehouse facility. Approved proposals include relocating internal stairs, creating new welfare facilities, new internal walls / meeting rooms, installation of new windows, installation of a lift, new heating and ventilation, new electrical services, new lighting and data services, structural and drainage works.

Revised plans for 130 Cowley Road

3.9.6 Original proposals approved for the refurbishment of 130 Cowley Road included for a full refurbishment of both the existing ground floor office and first floor showroom accommodation to re-locate staff from Estates & Facilities and Environment Services, Development Team. Both teams are currently based at Mill Road depot. As the building is not owned by the City Council, it is leased for 15 years with a tenant only break at 5 years allowing the Council to vacate at 5 yearly intervals if necessary.

3.9.7 Final tenders sourced for the refurbishment and alterations of 130 Cowley

Road exceeded the originally approved budget so alternative proposals have therefore been developed to contain overall costs. These revised proposals include for

- Refurbishment and alterations to the Ground Floor office space only
- Omission of all proposed alterations to the existing first floor show room accommodation.

Overall, these revised proposals will deliver a number of savings and ensure that the project can be delivered within the approved budget. The revised scheme has been re-presented to companies who responded to the original tender to ensure the tendered price comes within budget. If the tendered price is within budget the contract will be awarded in line with delegations approved at S&R on 20th March 2017.

3.9.8 Changes to the team allocations to facilitate the change in brief will be:

- Estates & Facilities staff will be located on ground floor of 130 Cowley Road
- Re-location of Environment Services, Operational Teams to port-a-cabins located at the Park & Ride compound site which places the office based and operational members of the team on the same site and is hence their preferred option.
- Re-location of Environment Services, Development Team to the Guildhall

Cowley Road Compound

3.9.9 This project will create a new compound for carrying out the operational functions of Estates and Facilities and Street and Open Spaces following the vacation of Mill Road Depot. Work comprises the creation of a temporary waste transfer station, external storage compound for building materials, equipment store facility for Streets and Open Spaces, welfare facilities, vehicle charge points, staff parking for both the Compound site and 130 Cowley Road, fuel station for CCC operational vehicles, vehicle wash down facility, temporary office accommodation and cycle parking. The scheme is subject to planning approval and the outcome of a transport study which is discussed in the Environmental Section of this report.

3.9.10 This scheme has been reviewed to further reduce overall costs and to ensure delivery within existing budgets. The review included an amended layout to reduce building services provision, a reduced waste transfer station provision, reduced equipment storage and amended fencing. The replication of an on-site fuel store, as exists at Mill Road, is also currently

being re-evaluated to determine whether use of fuel cards and off site suppliers would be more cost effective given the relatively high capital cost of a fuel store and uncertainty about long term site occupation.

- 3.9.11 The revised scheme has been re-presented to companies who responded to the original tender to re-price and to ensure the tendered price comes within budget. If the tendered price is within budget the contract will be awarded in line with delegations approved at S&R on 20th March 2017, using delegated powers

The Guildhall

- 3.9.12 Whilst there are no direct capital costs associated with the Guildhall at this stage the need to relocate staff from 130 Cowley Road will reduce the potential to generate income from letting the ground floor at the Guildhall.

4. Implications

(a) Financial Implications

The BSR 2016 created an earmarked reserve for the Office Accommodation strategy of £3.722m (capital and revenue). The earmarked reserves funding the Office Accommodation Strategy capital projects currently total £3,192,000. This includes provision for; Mandela House, 130 Cowley Road, The Compound Cowley Road schemes (£2,074,000), The Guildhall, 4th floor, refurbishing scheme (£57,000), Mobile Technology (£99,000) and the future Guildhall Refurbishment scheme (£962,000).

On 10th November 2016 an “out of cycle” decision was made by the Executive Councillor which gave approval for the allocation of £2,443,000 capital funds for schemes at Mandela House, 130 Cowley Road and the Compound at Cowley Road, which included funding from Climate Change of £59,000, and budget provision of £310,000 which was reallocated from other capital schemes to the Mandela House scheme.

Reappraisal of the Mandela House scheme has identified a need for a further £450,000 of capital funds in addition to the current approved capital budget allocation for the Mandela House scheme of £1,350,000. The cost of the

additional capital funding of £450,000 will be met from reserves. The final total cost of the scheme will be £1,800,000.

Appendix 3 provides a summary of capital costs and budget provision for Mandela House, 130 Cowley Road and The Compound Cowley Road refurbishment schemes.

Contingency sums have been provided within the tender prices for each scheme with a total available of £243,000 (£145,000 Mandela project and an estimated £42,000 for 130 Cowley Road and £56,000 for the Compound Site at Cowley Road).

The estimated income projections from letting offices on ground floor of The Guildhall will not be fully achieved as these offices will continue to be used by the City Council to provide accommodation for services relocated as a consequence of changes to the 130 Cowley Road scheme. The estimated income within the strategy from ground floor lettings of £40,000 per annum was scheduled to come on stream from 2018/19, but as a consequence of the changes to the 130 Cowley Road scheme is expected to reduce to circa £7,250 per annum and will come on stream from July 2017. The Head of Property Services will seek to recover the shortfall from other commercial lettings.

Further delay in the completion of the refurbishment schemes at Mandela House and 130 Cowley Road and set up of The Compound at Cowley Road will have adverse financial consequences to the overall strategy. These may include loss of predicted savings as the running costs will continue to be incurred at Mill Road and Hobson House and additional rental costs for extended use of Hobson House.

(b) Staffing Implications

The schemes are managed through three projects each of which have a dedicated project manager and project group involving key users at each site and the contractor for the scheme.

These schemes affect around 46 % of the Council's staff; approximately 380 staff are directly affected by moves to their operational locations and the refurbishment projects.

Around 150 of these staff have already been moved to temporary accommodation to vacate Mandela House for the refurbishment works. If there is any further delay in the completion of Mandela House scheme there will be a need move services and staff again into different temporary accommodation in order to vacate Hobson House by the end of the lease, 31 March 2018.

When Mandela House, 130 Cowley road and The Compound at Cowley Road refurbishments are complete the services affected will be located in premises as shown in table below:

Location/Service	Headcount
130 Cowley Road	81
Estates & Facilities	81
Guildhall	36
Environmental Services	36
Mandela House	161
Community Services	33
Environmental Services	43
Housing Development Agency	6
Housing Services	27
Revenues & Benefits	52
The Compound at Cowley Road	99
Environmental Services	92
Estates & Facilities	2
Grand Total	377

These staff will be involved in the office design, setting up new SMART working practices appropriate to their locations and operational requirements, training, and in making the moves to the new locations.

(c) Equality and Poverty Implications

*Has an Equality Impact Assessment been conducted on this strategy/policy/procedure/process/service change/decision? **Yes***

The Equality Impact Assessment for the Office Accommodation Strategy, revised in June 2017 identified possible disadvantages or negative impacts that increased occupancy of the buildings could imbalance toilet provision. The issues have been addressed at the design stage and provision made within the schemes where possible given the practical limitations of each of the sites.

The EqIA also identified the potential for disruption during the on-site delivery of the schemes that could adversely affect pregnant women and nursing mothers by reducing the facilities available. This issue will be addressed during the implementation set up plan.

(d) Environmental Implications

The Climate Change Rating assessment for Mandela House Scheme was approved by Capital Programme Board and is attached at Appendix 2.

The scheme for development of the Compound at Cowley Road is subject to planning approval.

Cambridgeshire County Council's, Transport Planners have asked for a Transport Assessment for the site, the costs for which have been factored into the capital scheme. It is not clear at this stage what the outcome of the study and the resulting planning approval will be. However, the transport planning issues do present a risk of additional cost and delay to the overall strategy as it could prevent the scheme from progressing as planned and consequently prevent the timely exit from Mill Road Depot. Officers are working closely with Cambridgeshire County Council to understand their requirements.

The site is adjoining the Water Treatment Centre which creates odour issues that need to be considered. It is within the designated Odour zone for the Water Treatment Centre and this may make the planning permission contingent upon temporary buildings having air cleaning/filtering systems. This is also one of the reasons for the additional costs at 130 Cowley Road.

A noise survey will be required to consider if the Council's use may be detrimental in the respect but this is not expected to be an issue. Mill Road depot is currently in a residential area and this has not been a significant issue historically.

(e) Procurement

Attach at Appendix 1 is a summary of procurement outcomes for the Mandela House scheme and furniture and recommendation for contract award.

A procurement process to select a supplier for the provision of office layout design and furniture for Mandela House and Cowley Road schemes has been concluded and recommendations have been made to the Strategic Director for the award of that contract in line with delegations approved at S&R on 20th March 2017.

(f) Consultation and communication

Stakeholder and Trade Unions consultations have been ongoing throughout the development of the proposals. Routine staff briefings have been conducted by Heads of Service and Managers to keep the staff informed of progress together with articles through internal communication platforms such as Insight, City Net and Management Matters.

A staff survey of those affected by 130 Cowley Road proposals informed the design of that scheme.

A further staff consultation with those moving to the Cowley Road sites highlighted staff concerns about access and parking and these are being resolved within the services.

A staff survey regarding SMART working indicated a strong interest from staff in increasing opportunities to work flexibly to increase productivity and balance home/life demands.

Wider staff involvement through stakeholder groups within the Programme Management Office Accommodation governance structure.

Extended member briefing on the refurbishments schemes and the wider office accommodation strategy issues, such as emerging shared office requirements and dependencies on IT strategies such as Council Anywhere programme took place on 21 June.

The schemes do not directly affect members of the public therefore there has been no public consultation or community engagement apart from the usual consultations in respect of the planning application for the Compound.

(g) Community Safety

Not applicable.

5. Background papers

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

The Equality Impact Assessment for the Office Accommodation Strategy, revised in June 2017 and is deposited on Cambridge City Council website

6. Appendices

NOT FOR PUBLICATION: The appendix 1 to the report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Appendix 1: Tender Evaluation and Award of Contract Proposal
Appendix 2: Environmental Assessment Proposal
Appendix 3: Budgetary summary

7. Inspection of papers

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

Author's Name:	Trevor Burdon, Head of Estates and Facilities
Author's Phone Number:	01223 457831
Author's Email:	Trevor.burdon@cambridge.gov.uk

Appendix 2

Project / Proposal Name or Reference:		Date:	Your Name:		
Mandela House Refurbishment 2016/17		08-Sep-16	Will Barfield		
1. IMPACT ON CARBON EMISSIONS					
HOW WILL THIS PROJECT/PROPOSAL AFFECT:		CONSIDERATIONS <i>See guidance below on determining whether negative or positive impacts are High, Medium or Low</i>	IMPACT? <i>Use drop down list</i>	GUIDANCE IF NEGATIVE RATING HAS BEEN AWARDED	NOTE HERE HOW YOU PLAN TO MANAGE AND REDUCE ANY NEGATIVE IMPACTS
1	ENERGY USE	<ul style="list-style-type: none"> * More energy will be consumed (by CCC or others) = Negative Impact * No extra energy use is involved = Nil Impact * Energy use will be reduced or renewable energy will be used = Positive Impact 	Medium Negative	Consider: <ul style="list-style-type: none"> - Energy efficiency measures - Renewable energy - Reducing demand for energy 	It is planned to increase the occupation of the building so the consultation of energy at Mandela House may increase. However there are a number of mitigation measures including LED lighting and more efficient heating / cooling / ventilation and a new boiler. The Council's overall consumption will be reduced when Hobson House and Mill Road depot are vacated.
2	WASTE GENERATION	<ul style="list-style-type: none"> * More waste will be generated (by CCC or others) = Negative Impact * No waste will be generated = Nil Impact * Less waste will be generated OR amount of waste that is reused/ recycled will be increased = Positive Impact 	Low Negative	Consider: <ul style="list-style-type: none"> - Use of recycled goods - Recycling facilities - Reducing/ reusing resources 	It is planned to increase the occupation of the building so the waste generated at Mandela House may increase.
3	USE OF TRANSPORT	<ul style="list-style-type: none"> * CCC or others will need to travel more OR transport goods more often/ further = Negative Impact * No extra transport will be necessary = Nil Impact * The use of transport and/or of fossil fuel-based transport will be reduced = Positive Impact 	Nil	Consider: <ul style="list-style-type: none"> - Use of public transport - Reducing need to travel or transport goods - Alternative fuels 	
2. IMPACT ON RESILIENCE TO THE EFFECTS OF CLIMATE CHANGE					
HOW WILL THIS PROJECT/PROPOSAL AFFECT THE ABILITY OF CAMBRIDGE CITY TO WITHSTAND:		CONSIDERATIONS <i>See guidance below on determining whether negative or positive impacts are High, Medium or Low</i>	IMPACT? <i>Use drop down list</i>	GUIDANCE IF NEGATIVE RATING HAS BEEN AWARDED	NOTE HERE HOW YOU PLAN TO MANAGE AND REDUCE ANY NEGATIVE IMPACTS
4	HEATWAVES	<ul style="list-style-type: none"> * Lack of or reduced shade (e.g. from trees or buildings) & natural ventilation = Negative Impact * No impact on existing levels of shade & ventilation = Nil Impact * Increased/ improved shade & natural ventilation = Positive Impact 	Nil	Greater need for cooling, shade and hydration methods	Greater occupancy of the building and heat emission from computers etc. will increase the requirement for air cooling. Solar film is to be applied to rooflights and Brise soleil being considered for Llandaff Chambers to provide shading.
5	DROUGHT	<ul style="list-style-type: none"> * Water use will increase and/or no provision made for water management = Negative Impact * Levels of water use will not be changed = Nil Impact * Provision made for water management, water resources will be protected = Positive Impact 	Low Negative	Greater need for water management and perhaps reserve supplies	There will be more toilets / showers and kitchen facilities which could increase use of water. Toilets will be low flush and urinals waterless where appropriate, flow restrictors will be applied to showers.
6	FLOODING	<ul style="list-style-type: none"> * Levels of surface water run-off will increase, no management of flood risk = Negative Impact * Levels of surface water run-off & flood risk are not affected = Nil Impact * Sustainable drainage measures incorporated, positive steps to reduce & manage flood risk = Positive Impact 	Nil	Consider flood defence mechanisms or alternative arrangements (business continuity)	
7	HIGH WINDS / STORMS	<ul style="list-style-type: none"> * Exposure to higher wind speeds is increased or is not managed = Negative Impact * No change to existing level of exposure to higher wind speeds = Nil Impact * Exposure to higher wind speeds is being actively managed & reduced = Positive Impact 	Nil	Greater need for stabilisation measures, robust structures resilient to high winds	
8	FOOD SECURITY	<ul style="list-style-type: none"> * Opportunities & resources for local food production are reduced = Negative Impact * No change to opportunities & resources for local food production = Nil Impact * Opportunities & resources for local food production are increased/ enhanced = Positive Impact 	Nil	Source food locally as it reduces vulnerability to food shortages and boosts the local economy	
Weighing up the negative and positive impacts of your project, what is the overall rating you are assigning to your project?:			Net Low Negative	<i>This overall rating is what you need to include in your report/ budget proposal, together with your explanation given below.</i>	

Guidance on Assessing the Degree of Negative and Positive Impacts:

Note: Not all of the considerations/ criteria listed below will necessarily be relevant to your project

Low Impact (L)	* No publicity
	* Relevant risks to the Council or community are Low or none
	* No impact on service or corporate performance
	* No capital assets; or capital assets with lifetime of less than 3 years
Medium Impact (M)	* Local publicity (good or bad)
	* Relevant risks to the Council or community are Medium
	* Affects delivery of corporate commitments
	* Affects service performance (e.g.: energy use; amount of waste; distance travelled) by more than 10%
High Impact (H)	* Capital assets with a lifetime of more than 3 years
	* National publicity (good or bad)
	* Relevant risks to the Council or community are Significant or High
	* Affects delivery of regulatory commitments
	* Affects corporate performance by more than 10%
	* Capital assets with a lifetime of more than 6 years

In the box below please explain how the overall rating given to your project/ proposal has been derived. (Summarise the project's environmental impacts) Please also highlight any negative environmental impacts your project may have (if any) and how you plan to mitigate these:

The rating is based on the fact that occupancy of Mandela House shall increase as result of the refurbishment work - in accordance with the Council's accommodation strategy. However if the rating is based on the overall performance of operation building collectively then the impact of this project is likely to be positive. The completion of this project will allow other buildings to be vacated completely.

OFFICE ACCOMMODATION STRATEGY - SUMMARY OF CAPITAL PROJECTS COSTS & BUDGET PROVISION

		Mandela House	130 Cowley Road	Ex Park & Ride site, Cowley Road	TOTALS
Value of capital projects (to nearest thousand)	as approved Feb 2017	£ 1,350,000	£ 507,000	£ 586,000	£ 2,443,000
Value of capital projects (to nearest thousand)	revised June 2017 (post tendering)	£ 1,758,000	£ 507,000	£ 586,000	£ 2,851,000
		tenders received & evaluated	final tenders awaited (june 2017)	tenders being evaluated (June 2017)	

Funded by (as previously approved)

Office Accommodation Strategy	£ 1,164,000	£ 507,000	£ 586,000	
Climate Change Fund	£ 59,000	£ -	£ -	
Re-allocation of previously approved capital funds for Mandela house Air Conditioning held over pending OAS	£ 127,000	£ -	£ -	
as previously approved	£ 1,350,000	£ 507,000	£ 586,000	£ 2,443,000
Uplift on Original approved budget	£ 408,000	£ -	£ -	£ 408,000
Rounded to include for 10% contingency on uplift	£ 42,000			£ 42,000
ADJUSTED CAPITAL BUDGETS	£ 1,800,000	£ 507,000	£ 586,000	£ 2,893,000
ADDITIONAL CAPITAL FUNDS REQUIRED	£ 450,000	£ -	£ -	£ 450,000

CIVIC AFFAIRS

28 June 2017
6.00 - 7.30 pm

Present: Councillors McPherson (Chair), Benstead (Vice-Chair), Gawthrope, Holt, O'Connell and Robertson

FOR ADOPTION BY THE COUNCIL

17/28/Civ Contract Procedure Rules Update

The committee received a report from the Strategic Procurement Officer which stated that the current contract procedure rules needed to be amended to reflect current legislation and facilitate compliance.

The Strategic Procurement Officer advised the following regarding the Contract Procedure Rules proposed document:

- i. Was in a revised format to distinguish legislation and council requirements, defining the process in concise steps and had created a clear list of do's and don'ts.
- ii. Separated out values into appendices to facilitate legislation amendments.
- iii. Sought to amend the Key Decision requirement, (regarding permission to procure) to £1m.
- iv. Included a strategy of Corporate Contracting, frameworks & dynamic purchasing systems (DPSs) and was supported by a new suite of templates, agreed with South Cambridgeshire District Council (SCDC), designed to facilitate accessibility to opportunities to Small Medium Enterprises (SMEs).

Resolved (unanimously) to recommend to Council:

- i. To agree the adoption of the new procedures
- ii. To confirm the change to the Key Decision threshold
- iii. To agree a corporate contracting strategy.
- iv. To agree a shared documentation approach
- v. To agree the new procedures would take effect as of 01.08.17
- vi. To mandate all staff and managers responsible for procurement attend a Contract Procedure Rules Update Briefing session.

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To:

Report by: Heidi Parker, Strategic Procurement Officer

Relevant scrutiny committee: Civic Affairs 28/6/2017 Committee

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

UPDATE OF THE COUNCIL'S CONTRACT PROCEDURE RULES

Key Decision

1. Executive summary

- a) The Current Contract Procedure Rules need to be amended to reflect current legislation and facilitate compliance.

The proposed document

- b) Is in a revised format to distinguish legislation and council requirements, define the process in concise steps and create a clear list of do's and don'ts
- c) Separates out values into appendices to facilitate legislation amendments
- d) Seeks to amend the Key Decision requirement, (regarding permission to procure) to £1m
- e) Includes a strategy of Corporate Contracting, frameworks & DPSs
- f)

This is supported by a new suite of templates, agreed with SCDC, designed to facilitate accessibility to opportunities to SMEs.

2. Recommendations

The Committee is asked to recommend to Council:

- a) To agree the adoption of the new procedures
- b) To confirm the change to the Key Decision threshold
- c) To agree a corporate contracting strategy.

- d) To agree a shared documentation approach
- e) To agree the new procedures will take effect as of 01.08.17
- f) To mandate ALL staff and managers responsible for procurement attend a Contract Procedure Rules Update Briefing session.

3. Background

a) Relevant Legislation

The Local Government Act 1972 requires the Council to have Standing Orders for how it enters into Contracts, as part of the Constitution. The Standing Orders must comply with other Legislations.

The Public Contracts Directive (2014/24/EU), which came into force in February 2015, as the revised Public Contract Procedures 2015 (PCR2015) requires us to update and incorporate the amended requirements into our Standings Orders.

The current Contract Procedures Rules were last updated in 2013 with regards to process and legislation. The EU threshold information was updated in 2016.

b) Legislation Mandated Changes

The new Contract Procedure Rules include the following:

- The legal requirement to advertise all procurement requirements over £25,000 on Contracts Finder
- The requirement to manage all procurements electronically (e-tendering, Due North)
- The requirement to operate and maintain an electronic Contracts Register for all contracts over £5,000. (Due North)
- The removal of the old Pre-Qualification Questionnaire (PQQ) on all below EU value tenders
- The requirement to look at the aggregated spend with suppliers, across the whole council's, for any given requirement (category) over a practical period of time.
- The requirement for formal Tender Reports to be completed and stored.

c) Procurement Proposed Changes

In addition to legislation changes the following amendments are proposed:

- The use of the term 'Levels' to identify the various procurement thresholds and the relevant process requirements around advertising, contracts and authorities to award
- The Levels to be aligned with SCDC & HDC to facilitate collaborative working
- Financial values associated with Levels to be as an appendix to facilitate legislative updates by the Monitoring Officer – Appendix 2
- Simplified, single set of procurement documents (shared with SCDC and including both logos) to streamline process, reduce time and costs associated with procurement, ensure accessibility to Small & Medium size Enterprises (SMEs) and facilitate compliance with these procedures.
- The increased use of Corporate Contracts, frameworks and Dynamic Purchasing Systems to facilitate more efficient and compliant procurement processes, without risk of disaggregation.
- Consider whole life costings and best practice, particularly regarding contract length and consolidation of spend.
- Revised responsibilities and signatory requirements as per the attached Summary Table, Appendix 1.
- The amendment of the Key-Decision requirement regarding permission to procure, to facilitate corporate arrangements and a streamline process. Monitoring to be via the Budget setting process and Capital Programme Board, with the option to call-in any projects identified to be of interest.

4. Implications

- | | |
|----------------------------------------------------------------------------|-------------------------------------------------------------|
| (a) Financial Implications | none |
| (b) Staffing Implications (if not covered in Consultations Section) | none |
| (c) Equality and Poverty Implications | No impact |
| (d) Environmental Implications | Nil climate change impact |
| (e) Procurement | This report addresses a change in procurement requirements. |
| (f) Consultation and communication | |

The proposed version of this document has been reviewed by Audit, Legal, Finance and the Head of Commercial services

Discussions re significant changes (below) have been had with the Strategic Director and the Executive Councillor

The new templates have been agreed with SCDC, legal, audit and corporate branding

(g) **Community Safety** none

5. Background papers

Contract Procedure Rules 2013

Public Contract Regulations 2015

Concession Regulations 2016

Social Value Act 2012

Localism Act 2011

6. Appendices

Contract Procedure Rules 2017 final draft

Appendix 1 – Summary table

Appendix 2 – Financial levels

Appendix 3 – Portal details

Appendix 4 – List of relevant legislation

Appendix 5 – procurement timetable

Appendix 6 – standard documents list

EQIA

Climate Change assessment

7. Inspection of papers

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

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Author's Phone Number: 01223 - 458051

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Contract Procedure Rules

(for Income & Expenditure Contracts)

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Using these Procedures –

Section 1 details the legal reasons for this document and requirement imposed upon us by law.

Section 2 explains the processes to be followed when carrying out a procurement process.

Section 3 details if, when and how these rules can be deviated from.

1. Contract Procedure Rules

1.1. Introduction (Legal & Council Requirements)

- 1.1.1. The Local Government Act 1972 section 135 requires the Council to have standing orders for how it enters into contracts. These Contract Procedure Rules (“Rules”) are the standing orders required by the 1972 Act. They form part of the Council's Constitution and are, in effect, the instructions of the Council, to officers and elected members, for entering into contracts on behalf of the Council.
- 1.1.2. These Rules govern ALL purchases of works, goods and services across the whole Council; they cover UK and EU legislative requirements as well as good practice. Should there be any discrepancies between these Rules and legislation, legislation is the dominant authority and MUST be followed. A list of current legislation, that supports these Rules, is attached in appendix 4.
- 1.1.3. All Council procurements MUST demonstrate; true and fair competition, public accountability, an open, fair and transparent process, seek to prevent bribery and corruption, whilst ensuring probity. All procurements MUST demonstrate a full audit trail.
- 1.1.4. Following the Contract Procedure Rules will also help to ensure that the Council obtains best value when it buys works, goods or services.
- 1.1.5. These Contract Procedure Rules are to protect the interests of the Council, its officers and elected Members and the public.

1.2. Application & Scope of Rules (Legal & Council Requirements)

- 1.2.1. These Rules DO apply to:
 - all contracts for the supply of works, goods or services (including consultancy) to the Council, regardless of value; and

- partnership and collaborative arrangements with other public bodies; and
- concession contracts.

1.2.2. They DO NOT apply to:

- contracts for the purchase or sale of any interest in land, (including leasehold interests);
- contracts of employment for the appointment of individual members of staff, including members of staff sourced through employment agencies under a corporate contract;
- sponsorship agreements;
- supply of works, goods and services by the council or one of its public sector partners. However, the Head of Legal Practice and Strategic Procurement must be consulted where the Council is contemplating this route.

1.3. Compliance (Legal & Council Requirements)

1.3.1. ALL CONTRACTS, (as defined by 1.2.1) on behalf of the Council, must comply with:

- these Contract Procedure Rules;
- the Council's Financial Regulations; and
- all relevant UK and EU legislation.

1.3.2. Each Director and Head of Service is responsible for ensuring that his/her department complies with these Contract Procedure Rules, the Financial Regulations and ALL applicable legislation. They MUST ensure that procurement requirements are appropriately planned, reported, monitored and awarded. They may delegate the practical elements of the processes to competent personnel within their departments, who are then equally responsible for ensuring these Rules are adhered to.

1.3.3. All members of staff and consultants engaged in any capacity to manage or supervise the procurement of any works, goods or services for the Council MUST comply with these Contract Procedure Rules. Attention is drawn to the Council's Code of Conduct and Disciplinary Policy.

1.3.4. NON-COMPLIANCE WITH THESE RULES MAY CONSTITUTE GROUNDS FOR DISCIPLINARY ACTION.

1.3.5. ALL Council spend MUST have a valid purchase order raised and approved in the Council's Financial Management System BEFORE delivery of the works, goods or services commence; where the value of spend ALSO requires a formal contract, work must not begin until the contract document has been appropriately completed by both parties, see appendix 1. Any deviations from this process must be approved and signed-off by the appropriate Director, BEFORE commencement.

1.4. Conflicts of Interest (Council Requirements)

1.4.1. All members of staff must avoid any conflict between their own interests and the interests of the Council as detailed in the Council's Code of Conduct, this includes: but is not limited to

- not accepting gifts or hospitality from organisations or suppliers that the Council has dealings with;
- not working for, or having a pecuniary shareholding in organisations or suppliers that the Council has dealings with;

- notifying the Head of Legal Practice and relevant Director if an officer has links with (e.g. they previously worked for, or a family member or close friend works for) an organisation or supplier who is tendering or quoting for a contract with the Council or already has a contract with the Council.

1.4.2. All consultants engaged to act on behalf of the Council must declare that:

- they will avoid any conflict between their own interests or those of any of their other clients and the interests of the Council; and
- they will notify the relevant Director if they have any links with (e.g. a family member or close friend works for) an organisation or supplier who is tendering or quoting for a contract with the Council or already has a contract with the Council.
- if an elected Member of the Council or a member of staff has an interest, financial or otherwise, in a contract or proposed contract, he/she must declare it in writing to the Director as soon as he/she becomes aware of the interest. An elected Member or member of staff who has an interest in a contract must not take part in the procurement or management of that Contract.

1.4.3. A shareholding in a body not exceeding a total nominal value of £1000 or 1% of the nominal value of the issued share capital (whichever is less) is not a pecuniary interest (1.4.1) for the purpose of this Rule.

1.4.4. The Chief Executive must maintain a record of all declarations of interest notified by elected Members and officers.

1.5. Prevention of Bribery and Corruption (Legal Requirements)

1.5.1. Where evidence suggests inappropriate action or events have occurred, a contract may be terminated immediately, and any losses to the Council arising from the termination recovered from the supplier, if the supplier, or anyone acting on his behalf (with or without the supplier's knowledge):

- offers or promises, or gives a financial, or other advantage, to any elected Member of the Council, any member of staff or any consultant in connection with the contract; or
- requests, agrees to receive or accepts a financial or other advantage so that some action in relation to the contract is performed improperly; and
- a declaration to this effect must be included in the Invitation to Tender (ITT).

1.5.2. Any elected Member of the Council, member of staff or consultant who becomes aware or has reason to believe that a supplier or potential supplier has committed one of the improper acts referred to in 1.5.1, must report that to the Monitoring Officer and the Head of Internal Audit immediately.

1.6. Pre-Procurement Requirements (Council Requirements)

(To be read in conjunction with the Council's Financial Regulations and the Constitution.)

1.6.1. As part of the Council's scrutiny process, officers and Heads of Service are required to obtain the necessary approvals BEFORE commencing a procurement process. (The values stated are accumulated spends over the life of the contract.) These approvals vary according to value and whether the procurement is considered a Key Decision.

1.6.2. A Key Decision (for procurement) is a requirement to seek authority to procure (and delegated authority to award) from the appropriate scrutiny committee, it applies where:

- The spend is over £1,000,000;

- There is a proposed change to the strategic procurement processes.

The principles apply as follows.

1.6.1. Capital Projects

All Capital projects (over £15,000) seeking funding, MUST first bid for funding as part of the budget setting cycle and then submit a report to the Capital Programme Board for approval to proceed. Officers are required to detail the proposed procurement strategy as part of the funding bid, such that the budget application requests funding allocation, approval to procure and delegated authority to award.

1.6.2. Revenue Spend under £1,000,000 (Non Key Decision)

Cyclical requirements and 'business as usual' expenditure, under £1,000,000 can be procured and awarded subject to the budget having been approved, compliance with these procedures and the appropriate delegation of authority to award.

1.6.3. Revenue Spend over £1,000,000 – statutory obligations (Non Key Decision)

Where the expenditure relates to the Council delivering against statutory obligations, subject to the budget having been approved, no additional reporting is required. This must be advised as part of the budget setting cycle and is subject to compliance with these procedures and the appropriate delegation of authority to award.

1.6.4. Revenue Spend over £1,000,000 – (Key Decision)

Requirements and expenditure funded from the annual budgets, that exceed £1,000,000, MUST submit a report to the appropriate scrutiny committee to seek approval to procure and delegated authority to the appropriate Strategic Director, to award.

1.6.5. Corporate Contracts over £1,000,000 – (Key Decision)

Where a contract is to be established for corporate use and no specific budgetary or capital approval process has been carried out, the project/ contract manager is required to present a report to scrutiny committee to approve the procurement and award of a corporate strategy.

1.6.6. Members may request a committee report on any project, not otherwise required to submit a report, where it is deemed of high public or political interest or significant risk to the Council. This requirement is to be identified as part of the budget setting cycle (Non-Key Decisions).

1.6.7. Where a requirement for approval arises outside of the budgeting or committee cycle, the officer may request an urgent decision where:

- waiting for the next committee cycle puts funding at risk;
- there are health and safety considerations;
- it is in the best interest of the community to proceed with urgency;
- the Strategic Director responsible believes there is another justifiable reason;

this must be managed in accordance with the Council's processes.

1.6.8. All Key Decisions MUST be entered onto the Forward Plan in accordance with Council processes.

1.6.9. Evidence of the relevant approval to procure and award must be provided before the procurement process can be commenced and again before the contract can be awarded.

Section 12.3.2 Key Decisions of the constitution will need to be amended to reflect this.

1.7. Duties and Powers of Delegation (Council Requirements)

- 1.7.1. Where a procurement is deemed a Key Decision, approval to procure is required from the appropriate scrutiny committee; this approval to include delegated authority, to the Strategic Director, to award the contract, subject to compliance with these procedures and the proposed contract award value being within a 10% tolerance of the approved budget
- 1.7.2. Where the proposed contract award is greater than the approved and available budget, the officer is required to submit a report to the appropriate scrutiny committee to seek additional funding.
- 1.7.3. Where the procurement is not a Key Decision, under the scheme of delegation, Directors have the authority to delegate to Heads of Service, the ability to procure, subject to a budget having been approved; they also have delegated authority to award the contract as per **Error! eference source not found.**
- 1.7.4. Where the value of the contract is level three and below (see appendix 1), this power of delegation includes the ability for the Director to delegate to the Head of Service, the ability to award the contract subject to compliance with these procedures.
- 1.7.5. Both the Director and the Head of Service have the authority to delegate the practical delivery of the procurement process to any officer deemed suitably competent in the given discipline; however responsibility for compliance with these procedures is the joint responsibility of the project manager, Head of Service and Strategic Director accordingly.

1.8. Separation of Duties (Council requirement)

- 1.8.1. A contract or purchase order cannot be raised or recommended and then approved by the same person.
- 1.8.2. The Council requires that the procurement process and any resultant awards are authorised by separate officers; most usually by the officer's line manager.
- 1.8.3. Where a Head of Service manages the practical element of a procurement process, completes a deviation form or makes another recommendation, the award must be agreed by either another Head of Service or a Director.

1.9. Creating a Contract (Council & Legal Requirements)

- 1.9.1. The Council requires ALL expenditure at level 2 (see appendix 1) or above to be placed against a formal and legally binding contract and supported by a purchase order to enable payment. The Council has a policy of - no purchase order no payment.
- 1.9.2. A contract is a defined set of requirements, TERMS & CONDITIONS, specified by the Council, regarding how both parties will engage during the contract period.
- 1.9.3. A contract requires:
 - OFFER – the tender submitted by the supplier; and
 - ACCEPTANCE – confirmation by the Council that its wishes the supplier to do as offered;
 - CONSIDERATION – a valid and legal benefit exists from the contract; e.g. payment for a service or goods.
- 1.9.4. The Contract MUST state:
 - duration – length of agreement plus any available extensions;

- value – a fixed sum, schedule of rates or estimate spend over the duration of the contract and any extensions;
 - the contract parties – those between who the contract applies; (If a framework, the Framework Agreement will list all eligible parties); and
 - change process – variations and extensions.
- 1.9.5. Each party to the contract acquires rights and duties – failure by either party to fulfil their duties set out in the contract may constitute a breach of contract.
- 1.9.6. The Council holds standard contract templates for level 3 (see appendix 1) and below expenditure; these are to be used unless expressly agreed otherwise by Legal and Procurement.
- 1.9.7. All contracts for Level 4 (see appendix 1) and above must be agreed by Legal BEFORE issuing tender documentation.
- 1.9.8. The Council requires ALL construction contracts to use industry standard forms, with minimal amendments, unless expressly agreed otherwise by Legal, Procurement and the relevant Head of Service.
- 1.9.9. The Council WILL NOT accept amendments to the proposed Council terms and conditions nor sign a supplier's terms and conditions of business, unless pre-agreed with Legal, Procurement, the Head of Service and the relevant Director prior to the procurement commencing.
- 1.9.10. ALL contracts must be collated and signed (or executed), by the appropriate person (see Appendix 1), BEFORE commencement, unless expressly agreed by Legal, Procurement, the Head of Service and the relevant Director.

1.10. Calculating the Contract Value (Legal & Council Requirements)

- 1.10.1. The value of the contract is the TOTAL amount the Council, as a whole, plans or might spend over the whole duration of the contract (including extensions) on a given requirement. The total is ALL and ANY spend with the supplier, for the specific requirement/ scope of works, regardless of the department or individual initiating the purchase. A contract value should be calculated as follows:
- a lump sum contract – this is a one-off, capital project, only used by one person/ department – the value is the total budget available (including any contingency);
 - a periodic contract – this is where there is an annual, regular, potentially on-going requirement, by either one or all departments – the contract value is the potential annual spend (across the whole Council) multiplied by the number of years the contract is to run (including any extension). Often managed through initiating a framework or establishing a term (schedule of rates) contract.
- 1.10.2. Where a contract is designed to be utilised by multiple authorities, the value must reflect the total potential spend, across all participants, for the whole duration; this should be listed as a price range in the relevant advertisements. It is advisable to include some contingency.
- 1.10.3. The contract needs to reflect any known and reasonably foreseeable requirements over the next few years; the duration is to be decided based on achieving economy of scale, commerciality of the requirements, best value and applicability; considering criteria such as whole-life-cycle, so as to address the life span of any equipment and capital write-off costs etc.
- 1.10.4. The Council MUST NOT disaggregate or sub-divide like or similar works by procuring multiple, smaller or shorter contracts. This includes not segregating any requirements by department

or reducing the contract duration, so as to reduce the contract value, in order that it avoids the requirement to follow a specified procurement level's advertising or process requirements. Where there is a commercial benefit to have multiple suppliers for a given requirement, this should usually be procured as a compliant, corporate framework.

- 1.10.5. Spend thresholds will be monitored against each supplier with whom the Council spends money; where a supplier provides multiple services which could reasonable be procured as separate contracts, staff are required to clearly identify on every purchase order to which contract the spend is to be attributed.
- 1.10.6. The Council encourages the use of corporate contracts by way of term contracts, Framework Agreements and dynamic purchasing systems (see 1.14.5). Particularly where there are interrelated services that can be delivered by multi-disciplinary suppliers so as to achieve potential savings and quality benefits. In these instances the contract value is across all disciplines and lots, across the whole duration and all authorities participating in the contract.

1.11. Market Research (Council & Legal Requirements)

- 1.11.1. The Council encourages the use of a 'Request for Information' process, market research and benchmarking, prior to defining the specification requirements for the contract.
- 1.11.2. Such research MUST NOT create an anti-competitive environment, be positively or negatively discriminatory to any potential bidders or use any specific, exact information or advice from a company, to write the specification or contract, where they have a commercial interest in the contract.

1.12. Choice of Procedure (Legal Requirements)

- 1.12.1. The following terminologies are used to describe EU compliant procurement processes; however, the principles can be applied to below EU threshold processes.
 - Open tenders – all tender information, specifically the Invitation to Tender (ITT) is published at one time (tender pack) and any interested supplier can submit a tender, subject to meeting minimum specified standards;
 - Competitive with negotiation – this route includes multiple ITT steps allowing the negotiation of specific requirements. The elements subject to negotiation and the shortlisting process need to be clearly identified from the beginning as part of the tender pack;
 - Design competition – this route follows an open tender process but with a less defined specification. It must be scored by appropriate persons in a neutralised format, to ensure fair competition, based on design only.
 - Concession Contracts – this is where there is an operating risk, that includes real exposure to uncertainty and where the risk is not nominal or marginal, and there is a real risk of making a financial loss e.g. the management of a café within a council building. (this procurement has different EU thresholds)
- 1.12.2. The following is usually only used for above the EU threshold procurements
 - Competitive Dialogue – this is for when the ideal solution cannot be readily identified and ideas and input from the market are sought to aid in identifying a suitable solution. This route usually includes multiple short listing stages, meetings and information sharing before a final solution and price is agreed with a single supplier;
- .12.3. The Council supports the use of any of the above, but they MUST be managed in compliance with current regulations.

1.13. Corporate Contracts (Council requirements)

- 1.13.1. The Council has adopted a strategy of using corporate contracts to deliver common, regular, routine, group-able requirements; this is designed to ensure compliance with legislation, achieve economy of scales and standardise performance and quality, whilst facilitating the ability to build relationships and effective contract management.
- 1.13.2. Where the Council has routine spend associated with the practical delivery of Council services, e.g. stationery, utilities, printing, etc., these are to be consolidated into single corporate contracts, managed by an agreed department, in the best interests of the whole Council.
- 1.13.3. Where there are commonalities of requirements across the Council, e.g. technical consultants, training etc., these are to be aggregated into either a Framework Agreement or a DPS (see 1.14). These will be procured and monitored by Procurement, facilitated by working groups to include representatives from all departments.
- 1.13.4. A corporate contract is one which is designed to be used by everyone in the Council with no one service having the monopoly of use or design.
- 1.13.5. In contrast, a collaborative contract is one commissioned by a single department, specifically designed to meet a particular requirement, but accessible to others parts of the Council if beneficial.
- 1.13.6. Where the Council holds a corporate contract, this contract MUST be used unless expressly agreed by Procurement, the Head of Service and if required by procurement (due to risk or value), the appropriate Director.
- 1.13.7. When procuring a corporate contract, managed by a centralised resource, without a specific, identifiable budget, the procurement must be approved by way of a Key Decision approval process as detailed in 1.6.5.

1.14. Corporate Frameworks Agreements and Dynamic Purchasing Systems (DPS) (Council & Legal requirements)

- 1.14.1. The Council wishes to balance consolidating spend, supporting smaller businesses and the local economy; the preferred way by which to achieve this, and legislative compliance, is through the use of Framework Agreements and Dynamic Purchasing Systems, with various Lots.
- 1.14.2. A Lot is the segregation or grouping of a specific requirement, targeted at a particular sector of the market, so as to enable direct contracting and supporting opportunities for smaller businesses to engage with the Council.
- 1.14.3. A Framework Agreement enables multiple suppliers, across one or multiple Lots (disciplines, trades, services, specific requirements), to be pre-approved for quality, and a maximum price, for use as and when a need arises.
- 1.14.4. A Framework Agreement is a fixed list of suppliers, for up to a maximum of four years. A Framework Agreement cannot be extended beyond 4 years.
- 1.14.5. The duration of an award under the Framework Agreement (the call-off), may extend past the framework end date, where the Framework Agreement or DPS expressly allows and defines this.
- 1.14.6. A DPS enables the creation of an approved list of multiple suppliers, across multiple Lots (disciplines, trades, services, specific requirements) to be pre-approved based on a predefined list of minimum skills, experience and specification requirements.

- 1.14.7. A DPS is a flexible list which includes a refresh cycle enabling new suppliers to join the arrangement throughout the life of the contract.
- 1.14.8. The value of a Framework Agreement or DPS is the total potential spends, across all lots, all suppliers, all users and the entire life of the arrangement.
- 1.14.9. Framework Agreements and DPSs procured by the Council may include access for our partnering authorities (and in some cases, other public bodies; in the case of other public bodies, they may be required to complete an access agreement should they wish to use the Framework Agreement).
- 1.14.10. The terms and conditions of participation in and use of the Framework Agreement or DPS must be clearly set out as part of the tender documents.
- 1.14.11. A Framework Agreement or DPS is designed to be flexible and does not guarantee selected suppliers any work or a minimum level of work.
- 1.14.12. Use of the Framework Agreement must be by way of a transparent, clearly defined process, specifically:
- a mini competition where all listed companies are invited; or
 - a direct draw-down based on a specific consideration e.g. location, tendered prices, specification requirements/ services etc.; or
 - on a rotation basis.
- 1.14.13. Use of the DPS must be by way of a transparent, clearly defined mini tendering process.
- 1.14.14. When applying the principles of mini-competition to a Framework Agreement or DPS, ALL suppliers accepted onto the arrangement (for the relevant Lot), MUST be invited to tender every time there is a requirement. The specification and requirements being refined and stated at this point.
- 1.14.15. ALL mini competitions MUST be carried out electronically using the Council's e-tendering portal.
- 1.14.16. A record of each contract awarded under the Framework Agreement must be entered onto the electronic Contract Register.

1.15. Advertising (Legal Requirements)

- .15.1. The Council is required by law to advertise ALL contract opportunities at level 3 and above on the Central Government Portal. (See appendix 1).
- .15.2. The Council will comply with this requirement through the use of an automated, interactive e-tendering system. (See appendix 3).
- .15.3. The Council is required to advertise all contracts over the EU threshold in the Official Journal of the Europe Union (OJEU process).
- .15.4. Where there is a genuine urgency, the Public Contract Regulation includes a provision to reduce the period of advertisement; this must be with the approval of procurement and the Strategic Director. Examples of such urgency include Health and Safety or Environmental risks.

1.16. Electronic Tendering (Council & Legal requirements)

- 1.16.1. The Council is required to advertise and manage all level 3 (see appendix 1) and above procurements electronically.

- 1.16.2. The Council has contracted with a third party for this service in partnership with our neighbouring Councils. (See Appendix 3).
- 1.16.3. The Council WILL, through the procuring officers:
- advertise ALL opportunities, in accordance with Appendix 1;
 - will provide the appropriate amount of time to respond, based on the procurement level, (see appendix 2);
 - issue ALL tender information via the portal;
 - manage ALL questions through the portal, ensuring all information is made public (except where commercially sensitive or subject to the Data Protection Act);
 - only accept tenders correctly returned via the portal;
 - only accept on-time tenders (unless expressly agreed otherwise by Procurement, Legal, Audit and the relevant Head of Service).
- Deviation from these requirements must be with the express approval of procurement and audit, and where necessary, the Strategic Director.
- 1.16.4. Following the closing of the tender period, the seal MUST be removed as follows:
- by the procuring officer for procurements that are level 3 (see appendix 1) and below;
 - by the Procurement team where the procurement is level 4 (see appendix 1) and above.
- 1.16.5. Following release of tenders:
- ALL ON-TIME tenders can be accepted and released for download immediately;
 - ALL LATE returns can only be accepted and released by Procurement. On identifying that the returns include a late submission, please contact Procurement immediately.
- 1.16.6. All post tender clarifications MUST be via the portal.
- 1.16.7. ALL successful and unsuccessful award notifications MUST be via the portal.
- 1.16.8. A copy of the Tender Report MUST be added to the award step on the portal.

1.17. Electronic Contract Register (Legal Requirements)

- 1.17.1. The Council is required to publish ALL CONTRACTs over £5,000 on an electronic Contract Register. This will be provided as part of the e-tendering package.
- 1.17.2. A Contract Register is a list of all contracts previously let by the council. It should include the relevant contract name, various contract dates, estimated value and all supporting documents and reports.
- 1.17.3. Procurements at level 2 (see appendix 1) are to be added manually to the register where the procurement was not facilitated by the e-tendering system.
- 1.17.4. All procurements managed through the e-tendering portal will be imported on to the Contract Register following the award step of the procurement exercise.
- 1.17.5. Any contract variations are to be added to and appropriately amended on the Contract Register manually.
- 1.17.6. All procurement related advice and supporting documentation to be added to the Contract Register manually where not available for direct import.
- 1.17.7. All information added to the Contract Register is to be consistent with the requirements of the Data Protection Act and the Council's retention policy.

1.18. Purchase Cards (Council Requirements)

- 1.18.1. The Council operates a purchase card facility; these are available, with the approval of the Head of Service and Finance.
- 1.18.2. Purchase cards are to be used for low value or one-off incidental spend where it is not efficient to add the suppliers to the Finance Management System
- 1.18.3. Purchase cards **MUST NOT** be used to bypass corporate contracts without the express permission of the corporate contract manager and procurement.
- 1.18.4. The principle of disaggregation applies to spend on purchase cards both in relation to the individual and the Council as a whole.

1.19. High Risk Contracts (Council Requirements)

- 1.19.1. The Council defines a high risk contract as where ANY of the following apply to the contract:
 - has a value over £1,000,000;
 - involves leasing arrangements;
 - may require the supplier to hold money on behalf of the Council;
 - may include an advance payment requirement;
 - appertains to software or licences;
 - is for a duration over 5 years;
 - is considered commercially sensitive; such as representing a significant change to income or costs to the council;
 - includes significant, additional Contractual requirements or risks such as; TUPE, Intellectual Property Rights, collateral warranties for design considerations, etc.
 - is of significant interest to residents due to investment, desirability, disruption etc.
- 1.19.2. Where a leasing arrangement is being considered, approval from Finance and legal is required before entering into any agreement. Leasing includes property, vehicles and equipment etc.
- 1.19.3. Where a contract is considered high risk, officers are required to carry out a risk assessment and to liaise with Procurement, Legal and Audit, regardless of value, to ensure all appropriate actions are taken to mitigate the Council of the identified risks.

1.20. Risk Assessments (Council Requirements)

- .20.1. Officers are required to complete a risk assessment on all procurements that are deemed high risk or over the EU threshold.
- .20.2. Officers should use the Council's standard templates and liaise with Audit to complete and add these to the corporate risk register.

1.21. Bonds & Parent Company Guarantees (Council Requirements)

- 1.21.1. The requirement for a bond or parent company guarantee (and its value) is at the discretion of the relevant Head of Service.
- 1.21.2. Where the project is deemed as a high risk for service failure (likelihood and/ or impacts), advice should be sought from Procurement, Finance and Audit so as to consider the benefits versus the costs of requiring a bond.

- 1.21.3. Where a bond or parent company guarantee is deemed necessary – this should be in a form acceptable to the council.

1.22. Grant Funding paid or received by the Council (Legal Requirements)

- 1.22.1. A grant is a gratuitous payment of monies for which there is no consideration.
- 1.22.2. ALL Grant Agreements paid to third parties must be executed as a deed.
- 1.22.3. The spending of a grant, received by the Council from a third party, is subject to these procedures and the conditions of the grant.
- 1.22.4. A grant payment by the Council to another organisation is NOT subject to the Council's procurement procedures.
- 1.22.5. Where a grant is received, officers are required to inform legal of the grant conditions to ensure that the requirements are consistent with the contract with the supplier.
- 1.22.6. Where a grant is paid by the Council, officers are required to ensure all conditions have been met before any payments are made.
- 1.22.7. Officers are required to ensure that any funding requirements have been completed satisfactorily before entering into any contractual commitments with suppliers, in respect of grants received from a third party.

1.23. Authority to Award (Council Requirements)

- 1.23.1. A contract can only be awarded by those with delegated authority to do so. See appendix 1.
- 1.23.2. Before awarding a contract, the authorised person must confirm compliance with these procedures, budgetary approval and where a Key Decision, committee approval.
- 1.23.3. Where it is identified that the necessary approvals have not been achieved, the process cannot continue until ALL approvals are in place.
- 1.23.4. Where there is a discrepancy in the budget or funding approved and the returned prices, the following MUST be applied:
- insufficient funding – ALL requests for additional funding, usually with regards to capital projects, must be requested via a specific report, submitted to the appropriate scrutiny committee, detailing the value required and the reason or justification for the overspend;
 - variance reporting - Where the prices returned, following a procurement exercise, vary from the budget by more than +10%, the relevant officer MUST submit a report to the appropriate scrutiny committee to seek approval to award, regardless of whether additional funding is required, e.g. requirements funded from revenue budgets;
 - where both insufficient funding and variance reporting apply, this can be addressed in a single report;
 - this is not an automatic justification for an out of cycle decision.
- 1.23.5. Where as a result of the procurement process an additional approval process is required, the process applied and any decisions must be included in the Tender Report.

1.24. Award Letters and the Collating, Signing or Sealing of contracts (Council Requirements)

- 1.24.1. All award letters and notifications are to be issued using the Council's standard templates.

- 1.24.2. Where the procurement is managed through the e-tendering portal, the award notifications must also be via the portal.
- 1.24.3. Letters must be signed according to delegated authority and contract value. (see Appendix 1).
- 1.24.4. Where the Contract exceeds the EU threshold, a Standstill Period must be applied
- 1.24.5. All suppliers are to be notified at the same time as to the outcome of the procurement process.
- 1.24.6. Suppliers are to be provided with feedback as requested, in accordance with the Public Contract Regulations
- 1.24.7. A contract must be collated and printed (minimum 2 copies, one for the supplier and one to be held by Legal) by the project manager, checked by Legal (where at level 4 and above, or using non-standard terms and conditions), bound and signed/ executed by both parties before commencement (unless expressly agreed otherwise **Error! Reference source not found.**).
- 1.24.8. The Contract MUST include the following:
- The formal, final version of the contract document, to be completed with names and dates, and the appropriate pages for signature or sealing included.
 - this could be, either the Council standard terms and conditions; or
 - a bespoke set of terms and conditions;
 - the relevant Construction booklet with the project information completed and relevant amendments attached;
 - the Project Brief and Specification (in full);
 - the tenderer's submission (in full);
 - an anonymised transcript of all questions and answers issued through the portal;
 - a transcript of all post tender clarifications;
 - a schedule of all drawings, data sheets etc. including revision numbers (drawings may be included hard copy or on CD as most appropriate to the contract);
- It does NOT need to include references, insurance documents, any questionnaires or sales brochures supplied; theses should however be stored as a Contract Register attachment.
- 1.24.9. Executing the contract can be by signing or sealing the contract; first by the supplier and then the Council.
- 1.24.10. Signing a contract requires two signatures:
- one by the supplier – by an authorised person (usually a director). Someone with authority to bind them to the agreement; and
 - one by the Council - a Head of Service or Director of the Council.
- 1.24.11. Executing as a deed, the way in which this is done depends on the type of organisation involved (e.g. company/ charity / person) etc.).
- for companies, the company may :
 - affix its company seal (if it has one); or
 - it can be signed by two authorised directors of the company (or by one director and the company secretary): or

- the deed can be signed by one director in the presence of a witness who attests the signature.
- for the Council, they must affix its common seal and this shall be attested by the Chief Executive, Strategic Director or Head of Legal Practice or some other person authorised by him/her. Legal must be consulted before a document is executed as a deed.

1.24.12. Where the contract is for Goods and Services, and is:

- below EU threshold – this can be signed in accordance with Appendix 1;
- above EU threshold – these must all be executed as a deed;

1.24.13. Where the contract is for works and is awarded using a construction industry contract; these MUST all be executed as a deed.

1.24.14. All new Frameworks Agreements must be executed as a deed.

1.24.15. All Grant Agreements and other agreements where there is NO CONSIDERATION, must be executed as a deed.

1.24.16. Other high risk contracts (see 1.19), where advised by Legal, are to be executed as a deed.

1.24.17. A scanned copy of the signed section of the contract should be stored on the Contract Register.

1.24.18. Where Legal are required to execute a contract as a deed, a copy of the committee approval agreeing budget, capital expenditure and/ or permission to procure (where a Key Decision); must be provided with the collated contract documents.

1.24.19. Contracts are sealed once a week; this must be factored into the procurement planning phase.

1.25. Tender Reports and Award Publication (Legal Requirements)

1.25.1. A Tender Report must be completed and agreed by the Head of Service before any award is notified.

1.25.2. A Tender Report is a summary of the process followed, the responses received, the evaluation process, any problems and ultimately, a recommendation to award.

1.25.3. All level 3 (see appendix 1) and above procurements must use the Council's standard template, and comply with the Public Contract Regulations requirements. Central Government may request to see any Tender Report of interest.

1.25.4. A copy of the Tender Report must be stored on the Contract Register.

1.25.5. For level 3 (see appendix 1) and above procurements, an award notice needs to be published on Contracts Finder, via the e-tendering portal.

1.25.6. For above EU level procurements, following award of the contract, an award notice must be published in the EU, via the e-tendering portal.

1.26. Varying a Contract (Legal Requirements)

1.26.1. A contract can be varied, post award, if agreed by both parties.

1.26.2. Any contract variation MUST be 'in scope' and suitably similar and relevant, to the original contract advert and specification.

1.26.3. A contract can NOT be varied where, the additional value would either:

- cause it to breach the EU threshold, where it was procured as a below EU tender or;
- cause an EU procurement to exceed the advertised value by more than 50%.

1.26.4. A variation must be approved by the appropriate Head of Service and signed by a Director.

1.27. Extending the Contract Duration

1.27.1. A contract can only be extended if the original contract included a provision to extend it in both duration and value.

1.27.2. The contract extension cannot:

- cause the value to breach the EU threshold where it was procured as a below EU tender or;
- cause the value to exceed what was advertised in the EU by more than 50%.

1.27.3. The contract extension needs to represent best value to the Council.

1.27.4. Where the contract does not include an extension option, but there are no other suppliers capable of providing the services – specifically relating to ICT and/ or maintenance of equipment by a specific manufacturer – an extension may be agreed subject to 1.28.2. using the deviation process (see 3.3).

1.28. Summary Table

Please see Appendix 1 and Appendix 2 regarding a summary of the levels and relevant approvals, plus the related financial thresholds.

2. Cambridge City Council's Internal Procurement Requirements

The Council is required to comply with the current Public Contract Regulation whilst ensuring best value, efficient delivery of council services and maintaining an audit trail of all decisions; the following section defines the process by which the Council requires this to be achieved.

A procurement process should not be commenced until ALL necessary approvals regarding budget and process have been agreed.

2.1. Procurement Planning, Approvals & Timescales

Officers are required to allow sufficient time to carry out a procurement process compliant with all of the requirements within these procedures, specifically

2.1.1. Officers are advised to consider establishing a project team, based on risk and complexity, the suggested key members being:

- Project Sponsor – Head of Services over seeing the contract;
- Project Manager – person managing the procurement and the ultimate contract;
- Procurement;
- Audit;
- Legal;
- Finance;
- Climate Change Officer/ HR representative/ Poverty Officers/ ICT officer (where applicable);

- external technical consultants; or
- any other officer as project manager requires.

If unsure if the procurement requires a project team, please liaise with Audit & Procurement.

2.1.2. Approval to procure:

- capital spend - Where spend requires capital investment officers are required to complete a business case and attend Capital Programme Board and then comply with the Council's requirement to report to committee for funding approval, as detailed in the Constitution. Officers are advised to allow between three and six months to achieve these approvals (depending on timing of the committee cycle);
- cyclical spend over £1,000,000 - Where spend is funded as part of the annual or mid-financial-year budgeting process, but exceed £1,000,000, an additional report to committee regarding the procurement strategy is required. In these cases, officers are advised to allow between three and six months to achieve these approvals (depending on timing of the committee cycle);
- cyclical requirements under £1,000,000 and statutory requirements - where funding has been agreed as part of the annual or mid-financial-year budgeting process, the procurement timetable does not need to add any additional time requirements as approval to procure is not required.

2.1.3. All high risk contracts (see 3.3) and or Key Decisions should have a risk assessment and be entered on the corporate risk register.

2.1.4. Tenders that are below the EU threshold should be advertised for a minimum of 21 days. They do not mandate a Standstill Period (although one can be included as good practice).

2.1.5. Tenders that are above the EU threshold should be advertised for a minimum of 35 days. The procurement is subject to a Standstill period of 10 days.

2.1.6. Officers are advised to allow between 3 months (level 3) and 6 months for an EU tender, plus the relevant approval timescales as detailed in 2.1.1 and 2.1.2.

2.1.7. A guidance timetable is included at Appendix 5;

2.2. Procurement Considerations, Social Value and Localism

2.2.1. The Council is committed to supporting the local economy by ensuring all tendering opportunities are accessible and tenderer friendly.

2.2.2. Where applicable, ALL Council Contracts MUST include the Voluntary Living Wage as defined by the Living Wage Foundation - www.livingwage.org.uk.

2.2.3. Where practical and relevant, tenders should also address the following local social benefits, (as part of the supply chain) through the use of tender quality assessments and method statements.

- employment;
- supply chain;
- apprenticeships;
- community benefit schemes;
- any other benefit that supports the local economy and well-being of the City of Cambridge.

- .2.4. The Council commits to work with local enterprises through supplier events to offer support and guidance around bidding and working for the Council.

2.3. General Considerations

- 2.3.1. When writing the project brief and specification document and collating the tender pack, officers are advised to consider the following and seek appropriate guidance where required:
- risk management;
 - EQIA;
 - climate change assessment;
 - sustainability and environmental impacts; and
 - any other policy or service delivery commitments.

2.4. Procurement Routes

- 2.4.1. Officers MUST be mindful when carrying out a procurement process, to calculate the contract value realistically.
- 2.4.2. Contract spend should be based on an estimate of potential requirements over the next three to five years, across the whole council, (longer if agreed with Procurement and Legal).
- 2.4.3. Officers MUST NOT disaggregate spend intentionally, (or through ignorance of other Council activities) to avoid the required procurement route:
- Level 1 – officers are required to seek a single quote, (by phone or email) from a local supplier. Where one cannot be identified, the e-tendering system can be used to search for a suitable supplier.
 - Level 2 – officers are required to :
 - either seek three quotes from local suppliers via email; or
 - seek three quotes, through direct invite on the e-tendering system; or
 - advertise such opportunities, where local suppliers cannot be identified or it is deemed that advertisement will offer greater value for money;

The outcome of this process must be added to the Contract Register along with a summary Tender Report.

- Level 3 – officers MUST advertise ALL procurement at this level on the e-tendering portal. These must be published for the timescales detailed above. All Q&A must be via the portal and all new information made available to everyone. The contract must be awarded via the portal and a copy of the Tender Report attached when imported into the Contract Register.
- Level 4 – The advertisement and loading of procurements at this level are managed by Procurement. The timescales are as Appendix 2. The Q&A process will be managed by the project officer (and overseen by Procurement) using the portal, with all information being made available to everyone. The contract must be awarded via the portal and a copy of the Tender Report attached when imported into the Contract Register.
- Level 5 – These procurements exceed the EU thresholds and must be advertised accordingly. They must be published and various requirements of the process managed by Procurement to ensure compliance with legislation. The contract must

be awarded via the portal and a copy of the Tender Report attached when imported into the Contract Register.

- .4.4. Choice of procedures; the Council, as standard will apply the Open Tender process. If officers wish to use any other route, they MUST seek input from Procurement and Legal.

2.5. Procurement Documents

- 2.5.1. The Council is committed to making the procurement process as simple, standard and straight forward as possible, for both officers and suppliers.
- 2.5.2. All procurements require a tender pack; this to be made up of the council's standard templates, supplemented by any additional technical information.
- 2.5.3. Where possible, the Council's standard templates have been created as generic documents in a PDF format and are available on the intranet and e-tendering portal. A list of templates is included in Appendix 6.
- 2.5.4. All procurements require a 'Project Brief and Specification' document to be completed by a technically capable officer or an appointed consultant; where an industry standard format exists this can be inserted into this template.
- 2.5.5. Any drawings, plans, data sheets or other specification information should be included as an appendix to the 'Project Brief and Specification' document.
- 2.5.6. Where a project requires bespoke documents rather than the agreed templates, this must be justified to and agreed with procurement and legal before the procurement process commences.
- 2.5.7. Suppliers are required to confirm acceptance of the Council's requirements, provide a price and complete the method statement requirements as part of the 'Bidders' response' document. Officers are required to include their questions, responses and any lump sum pricing in this document. Where the pricing is complex or includes a schedule, this can be attached separately and should be provided as an excel document for ease of completion and evaluation.
- 2.5.8. Officers are advised to work with legal, procurement and audit where the project involves a complex specification requirement or pricing model, or another risk to the Council. Early involvement facilitates easier risk management later in the process.

2.6. Tender Period

- 2.6.1. During the tender period, all questions and answers MUST be managed via the portal and made public.
- 2.6.2. Where additional information is provided in response to a question, officers are advised to consider if there is adequate time remaining, before the tender deadline, in which suppliers can address and incorporate the additional information.
- 2.6.3. Extensions to the deadline should only be granted where:
- additional information is provided within the last week of the tender period;
 - additional information is contrary to previously advised requirements such that suppliers need to re-do previous work; or
 - there are ICT issues with the portal on the day of submission.
- 2.6.4. Extensions are not available because:
- a supplier 'only just' found the tender;

- the supplier requesting the extension is the current provider;
- someone is on holiday or off-sick; or
- the supplier needs a bit more time.

2.6.5. Where the project has identified a benefit from arranging site visits, officers are to be mindful not to have everyone attend at once (if possible) as this could result in a reduced response rate or an anti-competitive set of returns. If concerned, advice should be sought from Legal, Procurement and Audit.

2.7. Tender returns

3.7.1. Tenders MUST be returned via the portal. Submitted tenders are to be released in accordance with 1.16. Where it is identified that a tender has been returned late, Procurement must be consulted immediately.

2.8. Procurement Evaluation Process

2.8.1. The Council applies the principle of Most Economically Advantage Tender as the evaluation principles; with a proposed split of 60% for price and 40% for Quality. This can be amended with the agreement of procurement and the Head of Service up to 80:20 split in favour of either element.

2.8.2. Questionnaires – as part of the Public Contract Regulations, a procurement process can only use a questionnaire as ‘vetting’ process on above EU threshold procurements:

- they cannot be used to shortlist suppliers to decide who to invite to tender;
- the new Standard Selection Questionnaire is a fixed document, it cannot be amended, but officers may add project specific requirements in section 8 (with guidance from Procurement);
- it is a tool by which to confirm that the supplier is suitably qualified, experienced and able to deliver a specific contract. It includes a reference section and an ability to add pass fail requirements around accreditations and minimal technical requirements;
- it is the mechanism by which suppliers are selected onto a DPS (see 1.14);
- it addresses mandatory and discretionary financial requirements and supplier’s responses must be reviewed in conjunction with Procurement and Finance;
- turnover requirements are capped at a maximum of two times the annual value of the contract. Officers are mindful not to set minimum requirements that are anti-competitive, discriminatory to small or new businesses or that could prevent desirable competition. An understanding of the market and aspirations for the contract should be considered with input from Procurement and Finance, all on a balance of risk.

2.8.3. Shortlisting – as most procurements are published as ‘Open’ tenders, there is a chance that a large number of returns are received. As a means of ensuring economic value and achieving efficiencies, officers can detail a process by which tenders are evaluated in stages and only the most favourable and suitable tenders are considered for the next stage of the evaluation process. E.g. the three highest scoring tenders based on price are progressed on to the quality evaluation stage. Where such a process is required, this must be agreed with Procurement and an appropriate clear, transparent and objective description of the shortlisting mechanism included in the tender documents.

- 2.8.4. Price evaluation – officers are required to define a clear pricing structure and explain how scores will be allocated. This can be:
- a lump sum price covering everything in a single price (including risk);
 - a bill of quantities/ pricing list of requirements/ phased or sectional pricing document;
 - a Schedule of Rates (SOR), (either as an industry standard with pricing adjustments or a bespoke list to be completed).
- For the purpose of evaluation, the pricing may need to be turned into a single value that can then be compared. Alternatively a weighted calculation can be applied for the various parts of the pricing document. Officers are advised to liaise with procurement and audit where the pricing evaluation is not based on a lump sum price or based on an SOR.
- 2.8.5. Quality Evaluation – officers are required to create a list of questions, relevant to the contract, from which suppliers are required to write a number of method statements. These questions should be designed to address various elements of the contract specification and delivering a quality, economic solution. Officers are advised that supplier’s method statements become part of the contract and therefore the questions should be designed to facilitate contract management. The evaluation questions need to be clear in what they are asking and well defined as to their weighting or score allocation, and any page or word limits need to be detailed. The higher the value, the more complex and high risk the contract, the more questions that should be asked/ method statements required.
- 2.8.6. Scoring quality method statements – the quality element of the tenderers’ submissions should be scored by a minimum of three people. Officers are required to create score sheets that reflect the questions asked in the ‘Bidders’ Response’ document, including the weightings and word/ page limits. Officers are required to provide a justification for the score provided based on an objective, pre-defined list of criteria (key concepts). All scores should then be averaged and an aggregated descriptive summary agreed; in a format that can be used to provide feedback to the suppliers following the award notification. It is advisable to establish the score sheets and test them before the evaluation process. Audit can provide further guidance/support in this area.
- 2.8.7. Credit checks – the council requires a credit check to be carried out on all procurements that are level 4 or above (see appendix 1), or are deemed high risk. The credit check cannot be used as an automatic pass or fail, but rather to inform discussions with suppliers regarding any risk of financial failure. Where a risk is identified through the check, officers are advised to liaise with Procurement and Finance to ensure any decisions made are not contrary to legislation.
- 2.8.8. Abnormally low or unsustainable tenders – where the evaluator identifies a concern as to the accuracy of the submitted prices, officers are advised to liaise with Procurement to carry out a review (in accordance with the Public Contract Regulations) to ascertain if the submission is deliverable or to be dismissed from further evaluation.
- 2.8.9. Post tender clarifications – following the evaluation of the tenders, officers are able to ask clarification questions of the suppliers either through the Q&A facility on the portal, or where stated in the documents, via a clarification meeting:
- where the clarification process relates to quality considerations and results in the scores being adjusted, this must be clearly documented in the Tender Report.
 - where the clarification relates to price, officers may seek clarification regarding any anomalies or omissions, but the prices CANNOT be changed.

- where an arithmetical error is identified, this can be corrected but the error must be confirmed by an independent party (ideally Audit).
- 2.8.10. Once all the scores have been collated, an arithmetical check is required by an independent party (ideally Audit)
- 2.8.11. Supplier feedback – officers are required to notify ALL suppliers at the same time through the portal. As part of the feedback, officers need to advise suppliers of ‘the relative advantages and disadvantages of the tender compared to the successful supplier’, this to be collated from the individual score sheets. Officers cannot provide any information deemed commercially sensitive or potentially anti-competitive, but they are required to provide the contract value and a breakdown of scores.

2.9. Contracts Management

- 3.9.1. Work under a contract must not begin until the Contract Document has been signed or sealed and dated.
- 3.9.2. The contract manager is responsible for :
- ensuring that the contract is carried out in accordance with its terms and conditions;
 - monitoring the supplier's performance and ensuring compliance;
 - monitoring cost and Best Value requirements;
 - monitoring equalities and sustainability data, where appropriate;
 - monitoring user satisfaction;
 - monitoring risk management;
 - formal and documented periodic reviews (as a minimum, these should be quarterly);
 - ensuring the supplier complies with the Council's policies;
 - ensuring that the supplier maintains the insurance policies required by the contract;
 - ensuring any minor changes to the contract are agreed and approved before they are carried out;
 - monitoring sub-contracting in accordance to the requirements and limitations detailed in the contract;
 - keeping a record of all valuations, payments, claims, monitoring, changes and certificates under the contract. Payments must only be made against a valid invoice;
 - deducting liquidated damages, if appropriate;
 - in consultation with Legal Services and the Head of Finance, consenting to sub-contracts, assignment or novation to new suppliers; and
 - managing the transition between the ending of one contract and the beginning of another.
- 3.9.3. The Head of Service must consult Legal Services for consideration of the Council's legal position:
- before any contract is to be terminated or suspended;
 - in the event of a claim for payment not clearly within the terms and conditions of contract;

- before making any deduction from payments due to a supplier or withholding payment from a supplier (unless provision is made for this in the contract);
- before settling any dispute;
- before making any extension to a contract or variation of the scope of a contract; and
- In the event that a supplier enters into receivership or goes into liquidation.

3.9.4. At the end of any contract over the EU threshold, the contract manager must provide a written report to the relevant Director evaluating the extent to which the contract met the purchasing need and contractual objectives as set out in the original Project Appraisal or Business Case.

3.9.5. If the contract is to be re-let, the contract manager's report should be available in sufficient time to inform the approach to re-letting any subsequent contract.

3. Deviation from these Procedures

3.1. Restrictions

- 3.1.1. The Council is bound by the Legal requirement to advertise at Level 3 (see appendix 1); as such, the Council has NO ability to opt-out or exempt from this requirement.
- 3.1.2. The Council can exempt from the procedural requirements for level 1 & 2 (see appendix 1).
- 3.1.3. The Council refers to this process as a Deviation.

3.2. Deviation from Procurement Process Requirements

3.2.1. Level 1 & 2 – Deviation. Spend that is level 2 or below is subject to the Council's rules, as such, the Head of Service can agree a deviation where it is demonstrated that:

- there is only one supplier in the market;
- the time required to seek quotes could cause environmental or health and safety risks; and/ or
- the time required to seek quotes could result in funding being lost.

Where such requirements are requested by a Head of Service, this must be approved by another Head of service to ensure a separation of duties.

- 3.2.2. Level 3 and above – Deviations. Where an officer can demonstrate exceptional circumstances, e.g. a monopoly, an officer may seek agreement to deviate from these requirements.
- 3.2.3. All Deviations require a detailed explanation as to why a deviation is sought, the value of the deviation, a completed risk assessment and the impacts if not agreed.
- 3.2.4. Procurement is not obliged to agree any deviations. Any award of contract, following the decline of such as request; by any of the parties listed in 3.4.1, is at the risk of the Head of Service and may be treated as gross misconduct.

3.3. Extensions to Contracts

- 3.3.1. Officers may seek an extension of time, not provided for within the current contract, by way of the deviation form. This will be considered where:
 - there is only one supplier able to deliver the requirement; e.g. maintenance is restricted to the manufacturer of the equipment;

- the requirement relates to ICT;
- the extension will not make a non EU procurement breach the EU threshold;
- the extension will not make an EU procurement exceed its advertised value by more than 50%;
- the extension covers an unforeseeable requirement;
- the extension facilitates consolidating contracting arrangements and end dates to enable value for money and economy of scale in subsequent procurements;
- the extension facilitates a current, compliant procurement process, assuming none of the above points are in conflict, and the requirement is not due to a wilful lack of action.

5.3.2. Any extensions agreed will only be to facilitate effective service delivery and replacement procurement.

3.4. Approval Process

3.4.1. As these decisions are made on a balance of risk, it must be agreed by Procurement, Audit, the Head of Service and the non-service-director.

3.4.2. Approval will be subject to the arguments and justifications proposed being seen as valid and an acceptable level of risk to the Council.

3.4.3. Legal will review the request to confirm there is authority to proceed.

4. Definitions

Award Criteria	means the criteria by which the successful Quotation or Tender is to be evaluated
Best Value	means the duty under the Local Government Act 1999 requiring an authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness
Bond	means an agreement whereby the surety or insurer under the bond pays out a sum of money (often 10% of the Contract value) in the event that the Supplier in a Contract commits a serious breach of contract (that cannot be remedied) or becomes insolvent
Business Case	means a written commercial assessment that provides the key facts and rationale for the proposed purchase.
Concession	means a Contract where the payment or part-payment of the Services or Works consists of the grant by the Council of the right for the Supplier to exploit the Services or Works to be carried out
Contract	means the bargain or agreement between the Council and a Supplier for the supply of Works, Goods or Services in return for a valuable benefit (usually money)
Contract Document	means the document setting out the terms and conditions of the Contract. A purchase order is a contract document. Although at law a verbal agreement may be a Contract, Contracts for the Council must always be supported by appropriate written contract documents
Contract Register	means a list of all expired and current contracts held by the Council
Contractor	see Supplier
Director	means one of the Officers defined in Article 11 para 11.1.2 of Part 2 of the Council’s Constitution

EU Threshold	means the value in pounds sterling above which the EU Regulations apply to a proposed public contract. The thresholds are set out in the table above.
Deviation Form	means the form to be used when applying for an exemption
Financial Regulations	means the rules at Part 4F of the Council's Constitution
Goods	see Supplies
Grant	means a voluntary transfer of money by the Council to a third party.
Head of Service	see Officer
Key Decision	means a decision made in exercise of an executive function by any persons (including Officers) or body which meets one or more of the conditions set out in Article 12.3.2 in Part 2 of the Constitution. In relation to incurring expenditure or making savings, the value is £1,000,000 and above.
Levels	means the procurement thresholds that determine the procurement processes that need to be followed
Mobilisation	means the period of time allocated to resource, set up and initiate a new contract, e.g. TUPE requirements, site set up on a construction project, lead time for ordering materials.
Officer	means an individual who holds a post on the Council's establishment
OJEU	means the Official Journal of the European Union
Parent Company Guarantee	means the guarantee from a parent company to act in accordance with the Contract in the event that the subsidiary company fails to perform under the terms of the Contract with the Council
Specification	means a clear and comprehensive description of the Council's requirements. This will vary according to the value and complexity of the purchase
Standard Terms and Conditions	means the terms and conditions of contract used for purchase up to level 3
Standstill	means the period between notifying all tenderers of your award intentions and the actual contract award (10 days) during which suppliers can challenge the process if they feel it has been incorrectly managed.
Supplier	means a supplier of Works, Goods or Services to the Council
Supplies contract	means a contract for the sale or hire of goods to the Council and includes, where appropriate, installation of goods
Tender	means an offer by a Supplier in response to an ITT to undertake a contract
Tender Report	means a report that documents the process followed, the evaluation scores and the proposed recommended award
TUPE	means the Transfer of Undertaking (Protection of Employment) Regulations 2006 and any amendment, re-enactment or replacement of them. In general terms, the rules protect employees when their business is taken over by a new employer.
Works contract	means a contract for the construction, repair or maintenance of built asset, e.g. a building or a road

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Appendix 1 - SUMMARY OF CONTRACT PROCEDURE RULES *(Total Council Value over a minimum 3 year period)*

Level	Process Name	Competition	Advertising	Authority to award (following budget approval)	Officer Responsible for procurement	Signature of Letters	Signature Of contracts	
LEVEL 1	Quick Quote	one written Quotation - by email or Due North	None required	Director's delegated authority under scheme of Delegation - to the officers	Officer obtaining Quotation	Award letters signed by Officer	Signed by Officer's line manager, responsible for the purchase – up to £4,999	
LEVEL 2	Simple Quote	Three written Quotations – by email or Due North	None required	Director's delegated authority under scheme of Delegation to the Heads of Service	Officer obtaining Quotation	Award letter by Head of service	Signed by Head of Service	
LEVEL 3	Request For Quotation	Advertised	Due North Portal Contracts Finder	Director's delegated authority under scheme of Delegation - to the Heads of Service	Project Manager appointed by Head of Service	Award letter/ permission to execute contract by Head of service	Goods & Services Signed by Head of Service up to EU threshold	Works Construction Industry Contracts always Executed as a deed
LEVEL 4	Simple Tender	Advertised	Due North Portal Contracts Finder	Capital projects, revenue spend below £1,000,000 or a statutory requirement – Director's delegated authority Over £1,000,000 (Key Decision) Scrutiny Committee & Executive Councillor	Project Manager appointed by Director/ Head of Service	Award letter/ permission to execute contract by Head of service	Goods & Services Signed by Director up to EU threshold	Works Construction Industry Contracts always Executed as a deed
LEVEL 5 (inc. new framework)	EU Tender	Advertised	Due North Portal Contracts Finder OJEU Notice	Capital projects, revenue spend below £1,000,000 or a statutory requirement – Director's delegated authority Over £1,000,000 (Key Decision) Scrutiny Committee & Executive Councillor	Project Manager appointed by Director/ Head of Service	Standstill letters - procurement Award Letters – Director	Goods & Services Over EU threshold - Executed as a Deed	Works Construction Industry Contracts always Executed as a deed
USE of EXISTING Framework Agreements	Direct draw-down OR Mini Competition	Submissions sought from ALL suppliers on the Framework OR Direct call-off where permitted	Not applicable	Call-off Contracts Capital projects, revenue spend below £1,000,000 or a statutory requirement – Director's delegated authority Over £1,000,000 (Key Decision) Scrutiny Committee & Executive Councillor	Project Manager appointed by Director/ Head of Service	Standstill letters - procurement Award Letters – Director	Goods & Services contracts below £150,000 Signed by Head of Service over £150,000 executed as a deed	Works Construction Industry Contracts always Executed as a deed

(All awards are Subject to prior committee approval of budgets)

Appendix 2

SUMMARY OF FINANCIAL LEVELS AND EU THRESHOLDS

Procurement threshold name	Lower limit	Upper limit
LEVEL 1	£0	£4,999
LEVEL 2	£5,000	£24,999
LEVEL 3	£25,000	£99,999
LEVEL 4 – Goods & Services	£100,000	£164,176
LEVEL 4 – works	£100,000	£4,104,394
LEVEL 5 – Over EU thresholds	£164,176 for Goods & Services and £4,104,394 for works	

TENDER PERIODS AND AWARD NOTIFICATION REQUIREMENTS

Procurement threshold name	tender period	Award notification
LEVEL 1	1 week	email
LEVEL 2	2 weeks	email
LEVEL 3	3 weeks	message through the portal
LEVEL 4 – Goods & Services	4 weeks	message through the portal
LEVEL 4 – works	5 weeks	message through the portal
LEVEL 5 – Over EU thresholds	5 weeks or more	Standstill notifications

Appendix Level 3

The Council has purchased a licence to use the DUE NORTH, (PROACTIS) e-tendering portal in conjunction with SCDC and HDC, off the back of the County Contract contract. The Portal facilitates advertising opportunities, the procurement process (management and communication), and the contract register.

Appendix Level 4

- Local Government Act 1972
- Public Contract Regulations 2015
- Concession Contract 2016
- Social Value Act 2012
- Localism Act 2011

Appendix 5 – Guidance Procurement Timetable

stage	description	Below EU	Above EU
Ascertain procurement permissions	Budget cycle – capital & revenue applications	Up to 6 months	Up to 6 months
	Capital funding applications	3 – 6 months	3 – 6 months
	Scrutiny committee (Inc. forward plan)	n/a	3 – 6 months
Collate tender pack	Complete all necessary information	4 weeks	4 – 8 weeks
Advertisement, Q&A process	Contracts finder	3 – 5 weeks	5 plus weeks
	OJEU process		5 plus weeks *
Tender evaluation	Review, clarify and collate	1-2 weeks	3-4 weeks
Tender approval	Below Key decision/ statutory requirement or Pre-approved process with delegated authority	1 week	1 week
	Key Decision with delegated authority	n/a - G&S 1 week - Works	1 week
	Key Decision with required return for approval	n/a - G&S 4 week - Works	4 weeks
	Amended budget approval	4-8 weeks	4-8 weeks
Standstill	notification	n/a	10 days *
Award letters	notification	1 week	1 week
Collate contract	Compile, check with legal, bind	1 weeks	2 weeks
Sign contracts	supplier	1 weeks	1-2 weeks
	Council	1 week	1-2 weeks
Mobilisation			
total		3 – 6 month excluding initial funding approval	6 – 12 months depending on approval requirements

* Fixed by legislation

Appendix 6 – list of standard templates

1. Procurement Tender Pack (Co-branded with SCDC)

- Invitation to Tender
- Part A – Instruction to Tenderers
- Part B – Project Brief and Specification
- Part C – Bidders Response
- Reference Pro-forma
- Standard Selection Questionnaire

2. Reports

- Business Case part A and B
- Budget approval report
- Scrutiny report
- Tender Evaluation score sheet
- Tender Report (procurement, co-branded with SCDC)

3. Procurement Notifications

- Standstill Letters
- EU award Letter
- Below EU notification Letters
- Variation/ Extension of Contract

4. Contracts

- Standard Terms & Conditions for POs
- Standard Terms & Conditions for Goods
- Standard Terms & Conditions for Services
- Article & Particulars form for JCT
- Part 1 Data form for NEC

5. Forms

- Deviation Request (previously Exemption form)
- Purchase Card Request form

6. Tables & Appendices

- Summary of Contract Procedure Rules
- Draft Procurement Timetable

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:

Contract Procedure Rules update

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

Compliance with current legislation, corporate approach to procurement, making the procurement process more efficient, effective and economic

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

x Staff

A specific client group or groups (please state):

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

☐ New

x Revised

☐ Existing

5. Responsible directorate and service

Directorate: Commercial Services

Service: Procurement

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):

the whole Council

7. Potential impact

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

When answering this question, please think about:

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

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

none

(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)

none

(c) Gender

none

(d) Pregnancy and maternity

none

(e) Transgender (including gender re-assignment)

none

(f) Marriage and Civil Partnership

none

(g) Race or Ethnicity

none

(h) Religion or Belief

none

(i) Sexual Orientation

none

(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):

none

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:

Names and job titles of other assessment team members and people consulted:
Heidi Parker, Senior Strategic Procurement Advisor

Date of completion: 08/06/17

Date of next review of the assessment:

Action Plan

Equality Impact Assessment title:

Date of completion:

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

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

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

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

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

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

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

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

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

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

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CAMBRIDGE CITY COUNCIL CLIMATE CHANGE RATING TOOL

What You Need to Do:

The spreadsheet on the next tab has been designed to help you consider the climate change implications of a new project, proposal or recommendation.

All project appraisal forms, Committee reports and budget proposals require a climate change rating.

When rating the climate change implications of your project/ proposal, there are two issues to consider:

1. Impact on carbon emissions - will the project/ proposal:

* Reduce the overall amount of energy being used / waste being produced/ emissions due to transport?	→	POSITIVE IMPACT
* Increase the overall amount of energy being used / waste being produced/ emissions due to transport	→	NEGATIVE IMPACT
* Have no effect on the amount of energy being used/ waste being produced/ emissions due to transport?	→	NIL IMPACT

2. Impact on resilience to the effects of climate change - will the project/ proposal:

* Increase the ability of Cambridge City & its residents to withstand the effects of climate change?	→	POSITIVE IMPACT
* Reduce the ability of Cambridge City & its residents to withstand the effects of climate change?	→	NEGATIVE IMPACT
* Have no effect on the ability of Cambridge City & its residents to the withstand the effects of climate change?	→	NIL IMPACT

The tool requires you to consider these issues with reference to **8 different criteria** e.g.: Energy Use; Waste Generation; Exposure to Heat Waves; Flooding, etc. *Not all of these criteria will necessarily be relevant to your project/ proposal.* Where a specific criteria is not relevant to your project/ proposal, assign a 'Nil' rating.

Where you identify either a positive or a negative impact, you are required to assess whether this impact will be **High, Medium or Low**. There is some guidance on the next tab to help you distinguish between High, Medium and Low impacts.

Results:

Once you have applied a rating to each of the 8 assessment criteria, **you decide the overall rating your project/ proposal should have.**

If your project has negative as well as positive impacts, you decide what the overall rating should be by weighing the positive and negative impacts, but you must explain how the overall rating given to your project/ proposal has been derived.

It is also compulsory to highlight any negative environmental impacts your project may have, which may have been 'masked' by the overall rating.

You may do this in the commentary box below your rating.

Tips:

1. Concentrate on the most significant issues - there is the potential to consider the appraisal in a very detailed way. This should be avoided at this stage.
2. Where you have identified a negative impact, think about how you are going to manage or mitigate this impact and explain this in your report.

If you require assistance in completing the Rating Tool, please contact the Climate Change Officer on ext. 7176.

Once you have completed the Rating Tool, please email it to the Climate Change Officer.

[Email Climate Change Officer](#)

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Project / Proposal Name or Reference:		Date:	Your Name:		
Contract Procedure Rules		08-Jun-17	Heidi Parker		
1. IMPACT ON CARBON EMISSIONS					
HOW WILL THIS PROJECT/PROPOSAL AFFECT:		CONSIDERATIONS <i>See guidance below on determining whether negative or positive impacts are High, Medium or Low</i>	IMPACT? <i>Use drop down list</i>	GUIDANCE IF NEGATIVE RATING HAS BEEN AWARDED	NOTE HERE HOW YOU PLAN TO MANAGE AND REDUCE ANY NEGATIVE IMPACTS
1	ENERGY USE	<ul style="list-style-type: none"> * More energy will be consumed (by CCC or others) = Negative Impact * No extra energy use is involved = Nil Impact * Energy use will be reduced or renewable energy will be used = Positive Impact 	Nil	Consider: - Energy efficiency measures - Renewable energy - Reducing demand for energy	
2	WASTE GENERATION	<ul style="list-style-type: none"> * More waste will be generated (by CCC or others) = Negative Impact * No waste will be generated = Nil Impact * Less waste will be generated OR amount of waste that is reused/ recycled will be increased = Positive Impact 	Nil	Consider: - Use of recycled goods - Recycling facilities - Reducing/ reusing resources	
3	USE OF TRANSPORT	<ul style="list-style-type: none"> * CCC or others will need to travel more OR transport goods more often/ further = Negative Impact * No extra transport will be necessary = Nil Impact * The use of transport and/or of fossil fuel-based transport will be reduced = Positive Impact 	Nil	Consider: - Use of public transport - Reducing need to travel or transport goods - Alternative fuels	
2. IMPACT ON RESILIENCE TO THE EFFECTS OF CLIMATE CHANGE					
HOW WILL THIS PROJECT/PROPOSAL AFFECT THE ABILITY OF CAMBRIDGE CITY TO WITHSTAND:		CONSIDERATIONS <i>See guidance below on determining whether negative or positive impacts are High, Medium or Low</i>	IMPACT? <i>Use drop down list</i>	GUIDANCE IF NEGATIVE RATING HAS BEEN AWARDED	NOTE HERE HOW YOU PLAN TO MANAGE AND REDUCE ANY NEGATIVE IMPACTS
4	HEATWAVES	<ul style="list-style-type: none"> * Lack of or reduced shade (e.g. from trees or buildings) & natural ventilation = Negative Impact * No impact on existing levels of shade & ventilation = Nil Impact * Increased/ improved shade & natural ventilation = Positive Impact 	Nil	Greater need for cooling, shade and hydration methods	
5	DROUGHT	<ul style="list-style-type: none"> * Water use will increase and/or no provision made for water management = Negative Impact * Levels of water use will not be changed = Nil Impact * Provision made for water management, water resources will be protected = Positive Impact 	Nil	Greater need for water management and perhaps reserve supplies	
6	FLOODING	<ul style="list-style-type: none"> * Levels of surface water run-off will increase, no management of flood risk = Negative Impact * Levels of surface water run-off & flood risk are not affected = Nil Impact * Sustainable drainage measures incorporated, positive steps to reduce & manage flood risk = Positive Impact 	Nil	Consider flood defence mechanisms or alternative arrangements (business continuity)	
7	HIGH WINDS / STORMS	<ul style="list-style-type: none"> * Exposure to higher wind speeds is increased or is not managed = Negative Impact * No change to existing level of exposure to higher wind speeds = Nil Impact * Exposure to higher wind speeds is being actively managed & reduced = Positive Impact 	Nil	Greater need for stabilisation measures, robust structures resilient to high winds	
8	FOOD SECURITY	<ul style="list-style-type: none"> * Opportunities & resources for local food production are reduced = Negative Impact * No change to opportunities & resources for local food production = Nil Impact * Opportunities & resources for local food production are increased/ enhanced = Positive Impact 	Nil	Source food locally as it reduces vulnerability to food shortages and boosts the local economy	

Weighing up the negative and positive impacts of your project, what is the overall rating you are assigning to your project?:

This overall rating is what you need to include in your report/ budget proposal, together with your explanation given below.

Guidance on Assessing the Degree of Negative and Positive Impacts:

Note: Not all of the considerations/ criteria listed below will necessarily be relevant to your project

Low Impact (L)	<ul style="list-style-type: none"> * No publicity * Relevant risks to the Council or community are Low or none * No impact on service or corporate performance * No capital assets; or capital assets with lifetime of less than 3 years
Medium Impact (M)	<ul style="list-style-type: none"> * Local publicity (good or bad) * Relevant risks to the Council or community are Medium * Affects delivery of corporate commitments * Affects service performance (e.g.: energy use; amount of waste; distance travelled) by more than 10% * Capital assets with a lifetime of more than 3 years
High Impact (H)	<ul style="list-style-type: none"> * National publicity (good or bad) * Relevant risks to the Council or community are Significant or High * Affects delivery of regulatory commitments * Affects corporate performance by more than 10% * Capital assets with a lifetime of more than 6 years

In the box below please explain how the overall rating given to your project/ proposal has been derived. (Summarise the project's environmental impacts) Please also highlight any negative environmental impacts your project may have (if any) and how you plan to mitigate these:

This is an administrative process and will not impact any of the environmental considerations listed here

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CIVIC AFFAIRS

28 June 2017
6.00 - 7.30 pm

Present: Councillors McPherson (Chair), Benstead (Vice-Chair), Gawthrope, Holt, O'Connell and Robertson

FOR ADOPTION BY THE COUNCIL

17/25/Civ Special Responsibility Allowances

The committee received a report from the Independent Remuneration Panel (the Panel) which contained recommendations following a review of the current allowances for special responsibility.

The recommendations of the Panel were as follows:

- i. That two new Special Responsibility Allowances (SRA) be created, Executive member without portfolio, for the Chair of the City Deal Board (if that be a member of the City Council) and Member of the City Deal Board.
- ii. That the SRA for the Chair of Planning be raised in relation to the Chairs of all other committees.
- iii. That SRAs be removed from all committee members with the exception of the Planning Committee.
- iv. That the Chair and Vice-chair of the Planning Committee do not receive an additional SRA as a Member of that committee.
- v. That the SRA for the Minority Group Leader be removed.
- vi. That SRAs for spokespersons of both Opposition and Minority groups be retained for scrutiny committees only and SRAs for spokes of other committees be removed.
- vii. That the number of SRAs that any Councillor may hold be limited to two.
- viii. That the SRAs be set as in the Table below.

Role	Percentage of basic allowance
Leader	275%
Executive Councillor including Deputy Leader	200%
Exec Councillor without portfolio (Chair of City Deal board)	50%
Member of City Deal Board	25%
Chair of Planning	150%
Chair of Scrutiny	40%
Chair of Licensing	20%
Chair of Civic Affairs	25%

Chair of Area Committee	20%
Lead Councillor on JDCC	50%
Group leader, main opposition party (fixed multiple regardless of size of the group)	100%
Opposition and Minority spokes (fixed multiple regardless of size of the group)	35%
Vice-chair of Planning	50%
Member of Planning	15%

The Panel had recommended that a further review should be undertaken two years from completion of the report, completed in February 2017.

The Democratic Services Manager advised that he would seek clarification from the Panel to confirm if those Councillors who sat on one Committee but shadowed two Executive Councillors would accrue two SRAs or one.

Councillor Robertson stated the following:

- i. Did not want to deter people from applying for the role of Councillor due to lack of financial support.
- ii. The work of the Planning Committee was not restricted to just the Chair. In respect of the onerous nature of the Committee's work and the amount of meetings scheduled, the responsibility paid to all Members should continue.
- iii. In acknowledgment to the time consuming nature of the work and gravity of decisions that were made by the Licensing Committee, the extra responsibility paid to Members should not be scrapped.
- iv. The remuneration of the SRA for the City Deal did not reflect the amount of the work and level of decision being undertaken.
- v. Immediate recognition of the Combined Authority and Crime Panel needed to be actioned.

Resolved (unanimously) to recommend to Council:

- i. To agree the recommendations of the Independent Remuneration Panel, and to report to Council an Allowances Scheme 2017/18 for adoption.
- ii. That the Council approves any budgetary requirement up to £5,535 (plus 2,240 or 1,120 depending on the City Deal appointment) from Reserves for 2017/18 and with subsequent years' funding coming from efficiencies in Democratic Services budgets.

CAMBRIDGE CITY COUNCIL

REPORT OF: Democratic Services Manager

TO: Civic Affairs Committee

28/6/2017

WARDS: None directly affected

REVIEW OF MEMBERS' SPECIAL RESPONSIBILITY ALLOWANCES

1 INTRODUCTION

- 1.1 The Independent Remuneration Panel (the Panel) has made recommendations for the Committee (and for Council to approve) following a review of the current allowances for special responsibility.

2. RECOMMENDATIONS

- 2.1 The Committee is asked to agree, or amend, the recommendations of the Independent Remuneration Panel, copied below from its report (appendix 1), and to report to Council an Allowances Scheme 2017/18 for adoption:

- i. That two new SRAs be created, Executive member without portfolio, for the Chair of the City Deal Board (if that be a member of the City Council) and Member of the City Deal Board.
- ii That the SRA for the Chair of Planning be raised in relation to the Chairs of all other committees.
- iii. That SRAs be removed from all committee members with the exception of the Planning Committee.
- iv. That the Chair and Vice-chair of the Planning Committee do not receive an additional SRA as a Member of that committee.
- v. That the SRA for the Minority Group Leader be removed.

- vi That SRAs for spokespersons of both Opposition and Minority groups be retained for scrutiny committees only and SRAs for spokes of other committees be removed.
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Chair of Licensing	20%
Chair of Civic Affairs	25%
Chair of Area Committee	20%
Lead Councillor on JDCC	50%
Group leader, main opposition party (fixed multiple regardless of size of the group)	100%
Opposition and Minority spokes (fixed multiple regardless of size of the group)	35%
Vice-chair of Planning	50%
Member of Planning	15%

- 2.2 That the Council approves any budgetary requirement up to £5,535 (plus 2,240 or 1,120 depending on the City Deal appointment) from Reserves for 2017/18 and with subsequent years' funding coming from efficiencies in Democratic Services budgets.

3. BACKGROUND

3.1 Council agreed changes on 14 July 2016 to Members Allowances following an interim report from the Independent Remuneration Panel. It was noted that the Panel's report was interim and a review of special responsibility allowances would follow on. The review concluded in February.

3.2 The provision of allowances to members is covered by the Local Authorities (Members Allowances) (England) Regulations 2003. It is for each local authority to decide its allowances scheme and the amounts to be paid under that scheme. An Independent Remuneration Panel provides the authority with advice on its allowances scheme and the amounts to be paid. The local authority must have regard to this advice.

4. IMPLICATIONS OF THE PANEL'S REPORT

The table at appendix 2 illustrates the changes the Panel's proposals would mean in cash terms. It is recommended that any changes agreed are funded by efficiencies made within the Democratic Services' budgets from 2018/19.

5. OPTIONS

Councillors must take into account the Panel's recommendations when agreeing a new scheme of Allowances- **but they are not bound by it**. The statutory guidance states "...that the amounts payable to members is one for local determination. In this way, councils can take full account of their particular circumstances and be directly accountable to the electorate. This accountability is sharpened through each council being advised on its own scheme by a local panel whose members are required to be independent."

6. **IMPLICATIONS**

(a) **Financial Implications**

These are described in 4.1. It should be noted that the increase in the basic allowance to £4,480 for 2017/18 (in accordance with last year's decision to link it to increases in the national living wage) has increased the total budget by £7,560 for 2017/18.

(b) **Staffing Implications**

None

(c) **Equal Opportunities Implications**

Equalities issues are included in the Panel's terms of reference. With regard to looking at just special responsibility allowances principles in paragraph 4 were followed. In terms of any Tax and Benefit implications of any changes, these are a matter for individual councillors although the Council's Finance Support Services Manager can be contacted for any initial advice.

(d) **Environmental Implications**

None

(e) **Procurement**

None

(f) **Consultation and communication**

The agreed allowances scheme and the Panel's recommendations are required to be published in a local newspaper (in addition to the Council's website). This will be done once the Council has agreed the proposals on 13 July 2017.

(g) **Community Safety**

None

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

See the Panel's report appendix 1 page 12 for background papers and also the agenda for the Council on 14 July 2016 which included the Panel's first report.

The author and contact officer for queries on the report is Gary Clift 01223 457011.

Report file: Date originated: 30 June 2017

Date of last revision: 30 June 2017

Independent Review Panel Report on Special Responsibility Allowances

Background

1. This report forms an adjunct to the IRP report of 2015/16 which brought the basic allowance up to date and pegged it to the living wage. This change removed some anomalies. We now recommend a similar revision of the Special Responsibility Allowance (SRA) scheme in order to re-allocate SRAs in the light of changes within and beyond this Authority.
2. We note the Statutory Guidance – in particular that SRAs should go to those who have 'significant additional responsibilities in relation to the discharge of the authority's functions'.
3. As a preamble to our previous report, we stated that the city is growing both in size and importance and that the nature of local democracy is changing, for example with the City Deal, Devolution and joint working with other authorities. This impacts on the workload and the nature of the work of individual councillors but also, has repercussions for the holders of Special Responsibility Allowances. The basis on which SRAs are allocated was last changed following the adoption of the IRP Report in 2002. Any revised SRA scheme will need to take into account subsequent and impending developments since that date, many of which will have affected the relative roles and responsibilities of Councillors in receipt of SRAs.

Principles

4. The principles which have guided our discussions and recommendations are that the Special Responsibility Allowance scheme should:
 - be perceived by everyone to be fair,
 - be logical and coherent
 - be transparent, efficient and easy to administer,
 - encourage councillors to fill the most arduous roles,
 - encourage scrutiny in order to augment the effectiveness of the democratic process,
 - be adaptable to future changes.

Method

5. The Panel looked at two forms of evidence:

- quantitative evidence based on time spent on each duty
 - qualitative evidence to assess the importance of that duty to the smooth running and reputation of the City Council.
6. We used the Oxford scheme (our nearest statistical neighbour) and the South Cambridgeshire scheme (our nearest geographical neighbour) as starting points.
 7. A questionnaire was sent to all SRA holders. We received 19 replies.
 8. We interviewed the leaders of the three political groupings: the Labour group, the Lib Dem group and the Ind/Green group. We also interviewed Antoinette Jackson, the Chief Executive of Cambridge City Council.
 9. We used the following documentary evidence to underpin our deliberations. All are attached as appendices.
 10. Documents produced by Cambridge City Council:

Executive Decisions – roles of Executive Members
 Review of Public Involvement in Decision Making
 Councillor Role Descriptions
 City Council IRP Report from 2002
 City Council Corporate Plan

11. Documents produced elsewhere:

Independent Review Panel reports from Oxford and S Cambs
 HMRC/Statutory Guidance on Consolidated Regulations for Local Authority Allowances

Findings

12. From all the evidence accrued, ie through questionnaire responses, interviews and supporting paperwork, these are our findings:

The Executive

13. The Council Leader and Executive bear far more responsibility than other Council members. Chairing the City Deal Board is a responsibility taken, at present, by the Leader of the Council but

could be separate from the Leader's role. Devolution – short-term and possibly long-term, will create more work for the Leader and Executive Councillors. With the exception of the elected Mayor, the new Combined Authority representatives will not receive a separate allowance from that institution.

Planning Committees

14. It is recognised that the workload of the Planning Committee is exceptional. As measured by time spent in meetings, it is more than twice that of any other committee. (See table below.) This committee deals with complex and sensitive issues and their decision-making is in the public spotlight. The committee's decisions are important to the reputation of Council and will have long-term and irreversible effects. There is a need for the members to be flexible in time commitment and there are possible recruitment issues. The Joint Development Control Committee (JDCC) has a lighter load with fewer cases but with big implications for the development of Cambridge.

Other Committees

15. Area Committee chairs have a prominent public role but the role has diminished since all planning decisions are now taken centrally.
16. With the exception of the Planning committee, the amount of work undertaken by Vice-chairs does not merit an SRA.

Comparative table of time spent in meetings over a two year period 2014-16:

(From The Review of Public Involvement in Decision-making, Appx 2)

Committee	Hours – Average length of meeting x number of meetings
Full Council	32.66
Area committee	30
Civic Affairs committee	11.75
Licensing committee	9.75
Licensing sub-committee	30
Planning committee	85
Community Services committee	20
Environment committee	22
Housing committee	20
Strategy and Resources committee	31
Joint Development Control committee	34.66

Opposition Roles

17. This Council has always prided itself in its tradition of being inclusive in the distribution of SRAs. In Cambridge there are two groups other than the Labour group – the Lib Dem and Ind/Green groups. The rationale for this inclusiveness is that opposition spokespersons have senior roles in enhancing the democratic process. In essence, the spokes for both the non-ruling groups are performing the same job – of holding the executive to account.

18. The size of both of these groups can change both at election and by-election. It will improve simplicity, clarity and fairness if any remuneration for opposition roles does not reflect the size of the group but relates to the weight of the role. There is evidence that there continues to be additional responsibility for the main opposition group leader but the workload of the minority group leader does not carry sufficient responsibility to merit an allowance.

Other findings

19. There is evidence from within and outside this authority that it is considered good practice to limit the number of SRAs each councillor can hold.

20. It is not normal practice in other Councils to provide SRAs to members of committees.
21. Because of the changing nature of the roles undertaken by Councillors, including Devolution, a further review of the SRA Scheme should take place within two years and of the Basic Allowance within four.
22. It was brought to our attention that there continues to be a problem with encouraging those in full-time work to take on additional responsibilities. The main reason appears to be that councillors are time-poor and that the level of allowances does not impact on this problem. This should be kept under review.
23. Following our recommendation from the 2015/16 IRP report, from April 2017 the Basic Allowance will rise in line with the national living wage by 4.166% from £4300 to £4480.

Recommendations

1. That two new SRAs be created, Executive member without portfolio, for the Chair of the City Deal Board (if that be a member of the City Council) and Member of the City Deal Board.
2. That the SRA for the Chair of Planning be raised in relation to the Chairs of all other committees.
3. That SRAs be removed from all committee members with the exception of the Planning Committee.
4. That the Chair and Vice-chair of the Planning Committee do not receive an additional SRA as a Member of that committee.
5. That the SRA for the Minority Group Leader be removed.
6. That SRAs for spokespersons of both Opposition and Minority groups be retained for scrutiny committees only and SRAs for spokes of other committees be removed.
7. That the number of SRAs that any Councillor may hold be limited to two.
8. That the SRAs be set as in the Table below.

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Opposition and Minority spokes (fixed multiple regardless of size of the group)	35%
Vice-chair of Planning	50%
Member of Planning	15%

February 2017

In addition to the background documents the Panel used whilst undertaking its first report to Council of May 2016:

<http://democracy.cambridge.gov.uk/documents/g3051/Public%20reports%20pack%2014th-Jul-2016%2018.00%20Council.pdf?T=10>

Role of Executive Members – part 2 of the Council's Constitution

<https://www.cambridge.gov.uk/sites/default/files/documents/constitution-part-3-section-2.pdf>

Corporate Plan

<https://www.cambridge.gov.uk/corporate-plan>

Councillor roles - <https://www.cambridge.gov.uk/councillors-duties-conduct-and-allowances>

Members' Allowances Regulations 2003 on SRAs

<http://www.legislation.gov.uk/ukxi/2003/1021/contents/made>

IRP report 2002

Review of public involvement in decision making

Taxpayers alliance comparison of Allowances 2016

Oxford City Council and South Cambridgeshire District Council IRP reports 2014/15

Oxford City Council/South Cambridgeshire District Council/Huntingdonshire Council end of year payments 2014/15

	Current SRA (£)	Recommended SRAs (£)	Increase in SRA (£)	Overall increase 2015/16 to 2017/18 including basic allowance (£) +/-
Leader	10,433	12,320	1,887	+3,168
Ex Cllr	8,346	8,960	614	+1,895
New- SRA (City Deal Chair of Exec Board)	n/a	2,240	n/a	n/a
New- SRA (City Deal Board member)	n/a	1,120	n/a	n/a
Planning Chair	3,226	6,720	3,494	+5,775
Scrutiny Chair	1,113	1,792	679	+ 1,960
Licensing Chair	696	896	200	+1,481
Civic Affairs Chair	1,113	1,120	7	+1,288
Area Cttee Chair	835	896	61	+1,342
Head Cllr JDCC	2,226	2,240	14	+1,295
Main Opposition Grp Leader	2,307	4,480	2,173	+3,454
Main Opposition spokes	1,391	1,568	177	+1,458
Other Opposition spokes	556	1,568	1,012	+2,293
Vice Chair Planning	139	2,240	2,101	+3,382
Planning –committee member (excl. Ch and VCh)	556	672	116	+1,397

Notes:

IRP June 2016 recommended:

- 1) Increase of Planning Chair SRA from £2,226 to £3,226 as an interim measure – the Council agreed

- 2) SRAs removed from all Vice Chairs except for Planning and JDCC – the Council agreed
- 3) SRAs removed from all members of committees except Planning and JDCC – the Council agreed but retained the Licensing member SRA

IRP Feb 2017 recommendations in addition to above table:

- 1) Remove Licensing Member SRA (£417 x 12) =5,004
- 2) Remove JDCC Members SRA (£556 x 6) =3,336
- 3) Remove Opposition Group Leader SRAs other than for main Opposition Party =£1,108
- 4) Remove SRAs for spokes on regulatory committees (Planning x2 @ 1,550, Licensingx1 696, Civic Affairs x1 556) = £4,352
- 5) Remove SRA for Chair and VCh of Planning as a member of the Cttee (£696 x2) =£1,392

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Funding/budgets

SRA spend 2016/17 will be £107,105 (against a budget provision of £124,120)

Proposed increases in total - £20,679 (not including the new city deal SRA which could be either 2,240 or 1,120)

Proposed reductions in total -£15,144

Total increase on SRA budget +£5,535 (not including the new city deal SRA)

Basic Allowance:

2015/16 £3,199; 2016/17 £4,300; 2017/18 £4,480

Total budget for basic allowance = £188,160

CAMBRIDGE CITY COUNCIL

REPORT OF: Director of Planning and Environment

TO: Planning Committee

05/07/2017

WARDS: All

LOCAL GOVERNMENT OMBUDSMAN (LGO) COMPLAINT REFERENCE 16 002 481

1 INTRODUCTION

1.1 The LGO has upheld a complaint relating to the determination of a planning application for a single storey front extension, part two storey/part single storey rear extension following demolition of existing garden room and rear dormer roof extension. The LGO found that the failures identified amounted to 'injustice'. A copy of the LGO decision is attached (Appendix A)

1.2 In summary the Ombudsman's final decision was as follows:

The Council was significantly at fault in the way in which it determined the application by Mr and Mrs F's neighbours for a rear extension. If not for this fault, officers might have invited revised proposals. But, the Council was not at fault in the way in which it subsequently considered revocation of the planning permission. Thus the injustice to Mr and Mrs F was limited to their justifiable sense of outrage at being treated unfairly, uncertainty and time and trouble.

2. RECOMMENDATIONS

2.1 To note that the LGO has upheld a complaint relating to the determination of a planning application.

2.2 To note that in these circumstances the Head of Legal Services as the Council's Monitoring Officer has an obligation to report the findings to Council and that Committee is satisfied with the action that has been taken (set out in Section 4 of the report).

3. THE COMPLAINT AND THE LGO INVESTIGATION

- 3.1 The complainants complained about the way in which the Council's Planning Committee considered whether or not to revoke their neighbours' planning application and that the extension would have a detrimental effect on their residential amenity in the form of loss of daylight and sunlight to their kitchen diner. The LGO investigated these issues under the following headings:
- The Independent Complaints Investigator's report
 - The Planning Committee's consideration of the proposed revocation
 - The Council's comments
 - Was there fault and, if so, was there injustice requiring a remedy?

I have used these headings to set out details of the complaint and the LGO decision below.

The Independent Complaints Investigator's (ICI) report

- 3.2 The LGO noted that the ICI had identified a number of errors in the delegated report by the Case Officer which was signed off by a Principal Planner. There were errors in relation to the relationship between the two properties, measurements and the decision not to require a daylight/sunlight analysis was founded on an inaccurate assumption that all 3 kitchen windows were already compromised in terms of daylight. The ICI noted that the rearmost window was not already shadowed and this window compensated for the reduced light to the other two windows. In the absence of a daylight/sunlight analysis officers did not properly assess the impact of loss of light and the decision was unsound.
- 3.3 The LGO also acknowledged that the ICI found that when the neighbour's complaint was dealt with under stage 2 of the Council's complaints policy officers made the wrong judgment in terms of whether or not a kitchen should be regarded as a habitable room. At this stage officers also commented that an extension constructed under 'permitted development rights' would have had a similar impact on the neighbours but there were no calculations to back this up. The ICI concluded that the stage 2 response was fundamentally

flawed and that on the balance of probabilities the decision to approve the application was unsound.

- 3.4 The LGO also refers to the ICI's view that the neighbours had set aside a significant amount of time in arguing that the planning decision was unsound; their relationship with their neighbour had broken down; and they felt their quality of life had suffered, and they were seriously thinking of moving home.

The Planning Committee's consideration of the proposed revocation

- 3.5 The LGO describes the report which was presented to Planning Committee on 6 April 2016. In particular she refers to the fact that officers concluded that there would be overshadowing from the proposed extension of the neighbouring property at times when there was currently no overshadowing and that modelling of a 'permitted development' scheme shows that a similar impact would not have arisen from such a scheme. She acknowledges that the officer conclusion was that it is finely balanced case but that the impact on residential amenity was just about acceptable. She states that officers did not consider it would be expedient to revoke the planning permission
- 3.6 Planning Committee resolved not seek revocation of the planning permission and the LGO notes that officer notes indicated that members understood the planning issues they were being asked to decide and that they were concerned about the way in which the neighbours had been treated. Following the meeting the neighbours made further complaints to the Council about the conduct of the meeting and members considerations. In response to this the LGO notes that officers had visited the neighbours after the ICI report was received to explain the process of responding to his recommendations, that the neighbours were aware of the date of the Committee meeting and were able to point out matters that they wanted members to consider during the site visit. The neighbours were advised of the Committee decision on the day of the meeting and officers did not accept that they had not kept the neighbours informed.
- 3.7 With regard to the decision to exclude the press and public from the meeting, the view of officers was that this was a decision that the Committee was entitled to make. Officers also considered that the Committee report identified all the material considerations to enable committee members to form a personal view based on their judgement and that they were experienced enough to do this. The

officer's view was that the Council had acted on the Independent Investigator's recommendations.

The Council's comments

- 3.8 The LGO asked the Council to comment on why officers did not ask the Planning Committee to consider the option of modifying the planning permission. The response from officers was that using powers under Section 97 would have required the Council to unilaterally determine the modification and under section 98 in the event of opposition from the owners of the site this would have led to a requirement for the Secretary of State to consider the merits of the proposed modification. This was seen to be an unusual process to follow for a householder extension. The modification process would have denied the owners the opportunity to consider/promote alternatives whereas the revocation process would have left them free to make a fresh planning application to meet their needs and in the event of a refusal of planning permission referral to the householder appeals process.

Was there fault and, if so, was there injustice requiring a remedy?

- 3.9 The LGO shares the ICI view that there was fault in both the case officer's delegated report that was signed off by a senior officer and with the responses given to the neighbours as part of the Council's complaints process. The LGO's view is that these errors were unfair to the neighbours, justifiably left them with a sense of outrage and put them to unreasonable time and trouble in pursuing matters. In reaching this view the LGO was mindful that the neighbours are elderly and felt vulnerable in pursuing matters with the Council.
- 3.10 The LGO could not conclude that the Council would have refused the application if the errors in the case officer report had not occurred. The reason the LGO gives for reaching this view is that the decision to be made by the Council was not whether or not the proposed extension would impact on the neighbours' amenity but to consider the extent and acceptability of that impact. It is not open to the LGO to substitute her judgement for the professional judgements of planning officers but she acknowledges that there would be an impact with any two storey extension and she was unable to conclude that if the errors had not been made officers would not have sought amendments to reduce that impact. In addition to the injustice the LGO identified which is set out in paragraph 3.9 above she also concluded that because the errors were made the neighbour

were left a significant degree of uncertainty about whether a request to amend the plans would have been made.

- 3.11 The LGO does not criticise the officers' report to Planning Committee regarding revocation. She considered that this properly assessed the impact on the neighbours and in the light of this it is not open to her to question the conclusions reached. She also notes that it was correct to treat potential cost to the Council as a 'material consideration'. She takes the view that it might have been appropriate to have explained the implications of modification to the Planning Committee, as opposed to revocation but she is satisfied by the officer's explanation of why modification was not a viable option. She is satisfied there was no fault in the way in which the Planning Committee dealt with matters

4 LGO AGREED ACTION AND FINAL DECISION

- 4.1 The LGO recommends the following action:

The Council should pay the neighbours the sum of £1,000 in recognition of the distress they have suffered in the form of outrage and uncertainty

The Council should make a further payment of £250 in recognition of the time and trouble the neighbours were put to in pursuing their complaints

- 4.2 A written apology has been sent from the Director of Planning and Environment and the sums recommended by the LGO have been paid to the neighbours.

5 IMPLICATIONS

- (a) **Financial Implications** The LGO has recommended the payment of any compensation which has been met from the Planning Services budget.
- (b) **Staffing Implications** Planning officers have been briefed about the outcome of the investigations by the ICI and LGO.
- (c) **Equality and Poverty Implications** An equality impact assessment has not been carried out in respect of this report.
- (d) **Environmental Implications** This report has no climate change impact.

(e) **Procurement** There are no procurement implications.

(f) **Consultation and communication** No consultations were necessary to prepare this report.

(g) **Community Safety** No direct or indirect community safety implications.

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

LGO final decision (29 March 2017)

To inspect these documents contact Sarah Dyer on extension 7153.

The author and contact officer for queries on the report is Sarah Dyer on extension 7153.

Report file:

Date originated: 04 July 2017

Date of last revision: 04 July 2017

Complaint reference:
16 002 481

Complaint against:
Cambridge City Council

The Ombudsman's decision

Summary: The Council was significantly at fault in the way in which it determined the application by Mr and Mrs F's neighbours for a rear extension. If not for this fault, officers might have invited revised proposals. But, the Council was not at fault in the way in which it subsequently considered revocation of the planning permission. Thus the injustice to Mr and Mrs F was limited to their justifiable sense of outrage at being treated unfairly, uncertainty and time and trouble.

The complaint

1. The complainants, to whom I shall refer as Mr and Mrs F, complained about the way in which the Council's Planning Committee considered whether or not to revoke their neighbours' planning permission for an extension. The approved extension would have a detrimental effect on their residential amenity in the form of loss of daylight and sunlight to their kitchen diner. Mr and Mrs F said in particular;
 - a) officers had made a number of errors in recommending the proposals for approval under their delegated authority; and
 - b) although the Council's Independent Complaints Investigator had found in their favour, there were serious flaws in the way in which the Planning Committee decided not to make a revocation order.
2. Mr and Mrs F told me they spend a great deal of time in their kitchen diner. They are elderly, and they have found dealing with the Council all the more difficult and stressful for this reason.

The Ombudsman's role and powers

3. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. She must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, she may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*)
4. If we are satisfied with a council's actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i), as amended*)

How I considered this complaint

5. I have considered all the information Mr and Mrs F provided. This included information they obtained from the Council through their Freedom of Information requests.
6. I have written to Mr and Mrs F and the Council with my draft decision and considered their comments.

What I found

Legal and administrative background

Town & Country Planning Act 1990

7. Section 97 provides that a local planning authority can revoke or modify a planning permission if it considers it expedient to do so. The authority should have regard to the development plan and any other material considerations.
8. The authority can exercise this power before any building or other operations are completed. It cannot exercise the power in relation to any part of building or other operations already carried out.
9. In accordance with Section 98 there is a right of appeal attached to a revocation or modification order. The Secretary of State can also modify a revocation or modification order in any way he or she considers expedient.

Local Government Act 1972

10. Schedule 12 A provides that a planning committee can exclude members of the public so as to prevent disclosure of information defined as exempt. This includes information:
 - about any individual, or likely to reveal the identity of any individual;
 - relating to the financial or business affairs of any particular person (including the authority holding that information); and
 - which reveals that the authority proposes to give a notice, order or direction under any enactment.

The planning application

11. The application was for a single storey front extension, part two storey and part single storey rear extension following demolition of an existing garden room, and a roof extension incorporating a rear dormer.

The Independent Complaint Investigator's report

12. The Investigator recommended that the Council take legal advice on the process required to revoke the planning permission. He said:
 - the officers' delegated report had made a number of errors in relation to measurements, the relationship between the two properties, and design features of Mr and Mrs F's property;
 - these indicated an unacceptable level of service delivery which had affected Mr and Mrs F's confidence in the assessment process;
 - officers made further errors in saying that light to all three of Mr and Mrs F's kitchen windows was already compromised. Thus no daylight/sunlight analysis was necessary; but

- this was incorrect. The rearmost window was not already shadowed. It was this window that compensated for reduced light to the other two windows;
 - in the absence of a daylight/sunlight analysis officers did not properly assess the impact of loss of light. Thus their decision was unsound;
 - in her stage 2 complaint response, the Head of Planning had accepted there would be a significant impact on levels of daylight and sunlight to the kitchen. But, she did not consider this would have justified refusal of planning permission;
 - she had said kitchens were not normally treated as habitable rooms. They required less protection from loss of daylight/sunlight. This was wrong. Kitchens were normally treated as habitable rooms in assessing the effect of planning proposals;
 - the Head of Planning had also said that a smaller single storey extension built as permitted development would have had a similarly significant impact. This too was a factor officers had to take into account; but
 - there were no calculations in support of what the Head of Planning said; so
 - in his view, the stage 2 response was fundamentally flawed. On the balance of probabilities, the decision to approve the application was therefore also unsound.
13. The Independent Complaint Investigator also assessed the injustice to Mr and Mrs F. He said that:
- Mr and Mrs F had had to set aside a significant amount of time in arguing that the planning decision was unsound;
 - their relationship with their neighbour had broken down; and
 - they felt their quality of life had suffered, and they were seriously thinking of moving home.

The Planning Committee's consideration of the proposed revocation

The officers' report

14. The report set out how officers had assessed the original planning application; the view taken by the Head of Planning in her stage 2 response; and the Independent Investigating Officer's analysis and conclusions;
15. It referred to local planning policy, which said: "the extension of existing buildings would be permitted if they did not overlook, overshadow or visually dominate neighbouring properties."
16. In analysing the impact of the approved development on Mr and Mrs F's home in terms of visual domination, the report said:
- there would be a brick wall facing the rearmost kitchen window. This would be five metres high and would "fill" the view. This would be 3.3 metres from the window;
 - there was an existing boundary fence between the two houses, and a large shrub in the garden which currently dominated the view of the window;
 - an extension built as permitted development would present a wall three metres high and four metres long opposite the window. This mass of wall would have a similar impact on outlook from the rearmost window as the approved extension;
 - taking account of the shrub and the permitted development (fall-back) position, officers took the view it would have been difficult to justify refusal of planning permission on these grounds.

-
17. In assessing overshadowing, the report said:
- Mr and Mrs F's home lay to the northeast of the application site. So, as the sun moved from east to west the applicants' dwelling, boundary fence, and approved extension would cast a shadow;
 - shadow plans showed that at the Spring equinox the rearmost kitchen window was overshadowed by the applicants' existing house until about 2pm. By 4pm it was no longer overshadowed; but
 - the window would be overshadowed by the approved extension at 4pm. Officers had concluded, therefore, that it would cast a shadow at times when there was currently no overshadowing; ie during the afternoons between April and September;
 - modelling of possible smaller permitted development schemes showed these would not have the same impact, and would leave the window largely free from overshadowing;
 - the internal layout of Mr and Mrs F's house meant there was no outlook towards the garden from the kitchen diner. They were dependent on light from the three windows facing the side elevation of the applicants' house;
 - officers noted that Mr and Mrs F spent a lot of time in their kitchen diner. But, they were not limited to the use of this room. They had other habitable rooms on the ground floor;
 - there was also a large shrub on the boundary. Officers considered this was likely to affect the amount of light to the rear most kitchen window.
18. Officers concluded:
- this was a finely balanced case. If the overshadowing was set against the lack of visual domination compared with the fall back permitted development position, the impact on residential amenity was just about acceptable;
 - the cost of compensation was also a material consideration in deciding whether to revoke or modify a planning permission. The applicants had not begun building work. But, they could seek compensation for the costs of preparation of detailed drawings and structural engineers' costs, planning application fees etc; so
 - officers did not consider it would be expedient to revoke the planning permission.

The decision

19. Planning Committee members resolved unanimously that the Local Planning Authority should not seek revocation of the planning permission.

Notes of the meeting

20. At the meeting three officers made their own contemporaneous notes of members' debate of the issues. These sets of notes were broadly consistent with each other. They indicated that members understood the planning issues they were being asked to decide, and that they were concerned about the way in which Mr and Mrs F had been treated.

The Council's further complaint response

21. Following the Planning Committee meeting at which members considered the revocation issue, Mr and Mrs F made further complaints to the Council about the conduct of the meeting and members' consideration of matters. The Director of Planning responded that:

- when they received the Independent Investigator's report, officers had visited the applicants to explain the process of responding to his recommendations. Given the implications of these recommendations, this was entirely reasonable;
- officers had told Mr and Mrs F of the date of the committee meeting when they arranged the members' site visit. Mr and Mrs F had been present during the visit, and pointed out matters they wanted members to understand. This had included identifying the extent of the extension through marks on their fence;
- officers had also told them the Planning Committee would consider the matter later that day after the site visit. They had advised Mr and Mrs F of the outcome on the same day. So he could not accept that officers had not kept Mr and Mrs F informed of what was happening;
- the committee had explicitly considered the provisions of Schedule 12A in deciding to exclude the press and public from the meeting. This was a decision they were entitled to make;
- legislation and regulations made clear the basis on which the Council had to make planning decisions. Recommendations and decisions had to have regard to the local development plan, and other material planning considerations.
- The report identified all the material considerations to enable committee members to form a personal view based on their judgement. They were experienced enough to do this;
- officers had not obtained a detailed breakdown of the overall costs figure of £13,700 the applicants had given them. Committee members had chosen not query these; and
- he was satisfied that the Council had acted on the Independent Investigator's recommendations.

The Council's comments

22. The Director of Planning made the following comments on why officers did not ask the Planning Committee to consider the option of modifying the planning permission:

- Section 97 would have required the Local Planning Authority to unilaterally determine the modification. Where the owners of the site in question opposed this, Section 98 would have required the Secretary of State to consider the merits of the proposed modification;
- this would be an unusual process to follow for an extension to a private home. It would deny the beneficiary of a currently "lawful" planning permission any freedom to consider/promote alternatives to the modification – except through the provisions of Section 98;
- Section 98 also provides for the Secretary of State to require a further modification to the proposals prior to confirmation of the order; whereas
- the effect of the revocation order would have been to enable the applicants to make a fresh planning application. They would have been free to determine the form and content of this according to their needs. They could also have accessed appropriate pre-application advice;
- the Local Planning Authority could have then carried out neighbour consultation, and considered the application in the usual way;

- this would have provided a simpler, proportionate and fair process for all parties (including other neighbours who might be affected differently by the revised scheme); and
- if the Local Planning Authority refused the application, the applicant could have then used the householder appeal process, (as opposed to a Secretary of State inquiry).

Was there fault and, if so, was there injustice requiring a remedy?

23. I share the Independent Complaint Investigator's view with regard to fault in both the Case Officer's report and the Council's complaint responses. These errors were unfair to Mr and Mrs F, and left them with a justifiable sense of outrage. They were also put to unreasonable time and trouble in pursuing matters. I am also mindful that Mr and Mrs F are elderly and felt vulnerable in pursuing matters with the Council.
24. But, I cannot conclude that the Council would have refused the planning application, if the errors in the Case Officer's report had not occurred. I say this because officers did not have to assess whether or not the proposed extension would impact on Mr and Mrs F's amenity. They only had to assess the extent of the impact, and whether or not this was acceptable.
25. It is not open to me to substitute my judgement for the professional judgements of planning officers. I am also mindful that any two storey extension would have had some impact. So, I also cannot conclude that without this fault officers would have asked the applicants to amend their scheme to lessen the impact on daylight to Mr and Mrs F's home. But, I consider it is possible they might have done this. So, in addition to the injustice I have identified above, Mr and Mrs F have had, and will continue to have, to live with a significant degree of uncertainty.
26. I do not criticise the officers' revocation report to the Planning Committee. I consider this properly assessed the impact on Mr and Mrs F's amenity. This being the case, it is not open to me to question the officers' conclusions. They were correct in treating the potential cost to the Council as a material planning consideration.
27. It might have been appropriate to have explained the implications of modification to the Planning Committee, as opposed to revocation. But, I am satisfied by the Director of Planning's explanation of why modification was not a viable option.
28. I am further satisfied there was no fault in the way in which the Planning Committee dealt with matters.

Agreed action

29. The Council has agreed to my proposals that:
 - it should pay Mr and Mrs F the sum of £1,000 in recognition of the distress they have suffered in the form of outrage and uncertainty; and
 - it should make a further payment of £250 in recognition of the time and trouble Mr and Mrs F were put to in pursuing their complaints.

Decision

30. As the Council has agreed to my proposals, I have completed my investigation.

Investigator's decision on behalf of the Ombudsman

CAMBRIDGE CITY COUNCIL

REPORT OF: Director of Planning and Environment

TO: Planning Committee

05/07/2017

WARDS: All

LOCAL GOVERNMENT OMBUDSMAN (LGO) COMPLAINT REFERENCE 16 004 091

1 INTRODUCTION

1.1 The LGO has upheld a complaint relating to the determination of a planning application for two storey side extension and part two storey part single storey rear extension (following demolition of garage). The LGO found that the failures identified amounted to 'injustice'. A copy of the LGO decision is attached (Appendix A).

1.2 In summary the Ombudsman's final decision was as follows:

There were failings in the way the Council considered a planning application for an extension to the complainants' neighbour's property. The Council has agreed to take action to remedy the complainants' injustice.

2. RECOMMENDATIONS

2.1 To note that the LGO has upheld a complaint relating to the determination of a planning application.

2.2 To note that in these circumstances the Head of Legal Services as the Council's Monitoring Officer has an obligation to report the findings to Council and that Committee is satisfied with the action that has been taken (set out in Section 4 of the report).

3. THE COMPLAINT AND THE LGO INVESTIGATION

3.1 The neighbours complained about inaccuracies and omissions in the case officer's report to Planning Committee. The findings of the LGO can be summarised under the following headings:

- The case officer's summary of objections made by the neighbours to the planning application
- Consideration of overlooking and loss of privacy from proposed balcony
- Consideration of overshadowing from proposed extension
- Errors in the drawing pack submitted to Planning Committee
- Accuracy of drawing requested by the case officer to demonstrate how the extension would affect the outlook from the neighbours property and measurement of distance between the distance between the shared boundary and the side elevation of the extension
- Approval of three dimensional perspective plan showing louvre screen/lack of request for amended plan or inclusion of planning condition
- Distinction between approved drawings and indicative/illustrative material/Council's offer of 'time and trouble' payment

I have used this summary to set out details of the complaint and the LGO decision below.

The case officer's summary of objections made by the neighbours to the planning application

3.2 The LGO regards the key objections of the neighbours to be related to overlooking/loss of privacy, overshadowing and the scale and bulk of the development leading to a sense of enclosure. She acknowledges that the case officer's includes consideration of these key objections and that it does not specifically address every point made by the neighbours as it would not have been practical to do so.

Consideration of overlooking and loss of privacy from proposed balcony

- 3.3 In relation to overlooking and loss of privacy from the proposed balcony the LGO notes that the case officer's report goes into some detail about the impact on the neighbours garden and bedroom. The LGO also noted that officers had asked the developer to include a louvre screen to the side of the rear facing balcony and that they were satisfied that the views from the balcony would, as a consequence of the screen, be oblique and would not allow direct overlooking. She also recorded that officers recommended obscured glazing to a first floor window but considered that obscure glazing to a velux window was not necessary. The LGO concludes that the Council properly considered the concerns raised by the neighbours about loss of privacy to their garden and bedroom from the rear facing balcony, side facing window and velux window.
- 3.4 The LGO did however find fault in the way in which officers assessed the impact of another part of the proposed balcony where no screening was to be provided. She noted that the case officer's report did not analyse the impact of this part of the balcony and did not mention the neighbours' concerns about loss of privacy from their living room. The LGO considers that there will be a direct line of sight from part of the balcony into the living room and garden room next door.

Consideration of overshadowing from proposed extension

- 3.5 The neighbours considered that the Council should not have relied on a sun study submitted by the developer. However the LGO considered that officers had sufficient information to be able to reach a view about the overshadowing created by the extension. She did not find any evidence of fault in the way in which the decision that there was insufficient overshadowing to justify refusal of the application had been reached.

Errors in the drawing pack submitted to Planning Committee

- 3.6 There were a number of errors on material in the drawing pack. One elevation did not include a window facing the neighbours' house, existing and proposed plans were mislabelled, some windows were incorrectly labelled on perspective views and the balcony was missing on one view. The LGO is satisfied that the case officer drew the attention of the Committee to these errors and that they did not affect the Council's decision to grant planning permission.

Accuracy of drawing requested by the case officer to demonstrate how the extension would affect the outlook from the neighbours

property and measurement of distance between the distance between the shared boundary and the side elevation of the extension

- 3.7 The LGO finds fault with two pieces of inaccurate information that were presented to the Committee. First it has been demonstrated to the LGO that the drawing produced by the architect to show the impact of the extension on the neighbours' outlook was not accurate and incorrectly shows the distance between the extension and the boundary as 2 metres. She considered that this drawing should not have been included in the drawing pack because it had the potential to mislead the Committee.
- 3.8 Secondly the LGO finds fault on the basis that the officer's report incorrectly states the distance between the extension and the boundary as 2 metres when this distance was later found to be 1.4 metres. The LGO concludes that, on balance, the Council would have granted planning permission if the impact drawing had not been included in the drawing pack and the officer's report had stated the correct separation distance.

Approval of three dimensional perspective plan showing louvre screen/lack of request for amended plan or inclusion of planning condition

- 3.9 The LGO notes that the Council has apologised for the fact that a three dimensional perspective view was listed as an approved plan on the decision notice. Officers accept that an amended elevation showing the louvre details should have been sought before planning permission was granted. The LGO acknowledges that the neighbours were concerned that the design of the louvre screen is such that it will not protect their privacy. She finds fault with the fact that there is nothing to suggest that the Council considered these concerns before it granted planning permission.

Distinction between approved drawings and indicative/illustrative material/Council's offer of 'time and trouble' payment

- 3.10 The LGO acknowledges that the Council has admitted that the proposal section of the officer report should have been more explicit in setting out exactly which drawings were being considered for approval and which had been submitted as indicative or illustrative material.

- 3.11 The LGO notes that the Council has apologised to the neighbours and offered to pay them £100 for the time and trouble in making their objections clear. However her view is that the neighbours were not put to time and trouble for making their objections clear as a result of the officer report because reports are written after objections have been received.

4 LGO AGREED ACTION AND FINAL DECISION

Additional screen to section of balcony facing the neighbours' property

- 4.1 During the course of the LGO investigation the LGO asked officers to seek the developer's agreement to add a screen to the section of the balcony which was not originally intended to be screened for the reasons set out in paragraph 3.4 above. The developer has agreed to provide an additional screen in the area requested by the LGO (see plan at Appendix B (location of additional screen indicated by yellow stars)).
- 4.2 The LGO recommends the following action:
- a) It is noted that the Council has obtained the developer's agreement to add a screen to the section of balcony facing the neighbours' property.
 - b) Planning case officers to be reminded of the need to ensure that plans are checked for accuracy before planning applications are determined and to seek clarification if submitted plans are vague or imprecise.
 - c) The Council will also apologise to Mr and Mrs B for the failings identified in this case. It will make a payment of £500 to Mr and Mrs B to recognise the time and trouble they have been put to pursuing their complaint and for the uncertainty they have been left with as to whether the outcome would be any different if there had been no fault. The Council will take this action within four weeks.
- 4.2 Officers have been reminded of the need to ensure plans are accurate and seek clarification if this is not the case.
- 4.3 A written apology has been sent from the Director of Planning and Environment and the sums recommended by the LGO have been paid to the neighbours.

- 4.4 Since the LGO decision was received, officers have actively pursued the submission of details of the additional screen. At the time of writing this report a site meeting is due to be held at the end of June to discuss potential options for the screen. When this information is received it will be placed on the Public Access pages of the Council's website and the complainant will be alerted to their availability. There will be an opportunity for the complainant to make comments about the additional screen but the final decision on the screen details lies with the Council.

5 IMPLICATIONS

- (a) **Financial Implications** The LGO has recommended the payment of any compensation which has been met from the Planning Services budget.
- (b) **Staffing Implications** Planning officers have been briefed about the outcome of the investigations by the ICI and LGO.
- (c) **Equality and Poverty Implications** An equality impact assessment has not been carried out in respect of this report.
- (d) **Environmental Implications** This report has no climate change impact.
- (e) **Procurement** There are no procurement implications.
- (f) **Consultation and communication** No consultations were necessary to prepare this report.
- (g) **Community Safety** No direct or indirect community safety implications.

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

LGO final decision (10 April 2017)

To inspect these documents contact Sarah Dyer on extension 7153.

The author and contact officer for queries on the report is Sarah Dyer on extension 7153.

Report file:

Date originated: 04 July 2017

Date of last revision: 04 July 2017

Complaint reference:
16 004 091

Complaint against:
Cambridge City Council

The Ombudsman's final decision

Summary: There were failings in the way the Council considered a planning application for an extension to the complainants' neighbour's property. The Council has agreed to take action to remedy the complainants' injustice.

The complaint

1. Mr and Mrs B complain that there were failings in the way the Council determined a planning application for an extension to a neighbouring property. In particular, that the Committee approved the application on the basis of inaccurate drawings and a report which contained errors.

The Ombudsman's role and powers

2. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. She must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, she may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*)
3. The Ombudsman cannot question whether a council's decision is right or wrong simply because the complainant disagrees with it. She must consider whether there was fault in the way the decision was reached. (*Local Government Act 1974, section 34(3)*)
4. When we investigate a complaint about a planning decision we consider whether there has been any administrative fault in the way the application has been decided which may call into question the decision. We do not consider the application afresh on its merits; we look only at the process followed by the Council when it reached the decision.
5. When a council considers a planning application it should consider the impact it will have on neighbouring properties. But it is not the case that planning permission must be refused if development will have an adverse impact on other properties. The council must assess the degree of impact and decide if it is so great that the application should be refused. This is a judgement the council makes taking into account all the relevant information. Provided the council carries out the assessment properly then we cannot question the decision that has been made.

How I considered this complaint

6. I have:
- considered the complaint and the documents provided by the complainant;
 - discussed the issues with the complainant;
 - made enquiries of the Council and considered the comments and documents the Council has provided; and
 - given the Council and the complainant the opportunity to comment on my draft decision.

What I found

7. In August 2015, the Council granted planning permission to Mr and Mrs B's next door neighbour to erect a two storey rear and side extension with rooms in the roof space and a first floor balcony. The application was determined by the Council's Planning Committee.
8. Mr and Mrs B had objected to the proposal. Their key objections related to overlooking/loss of privacy, overshadowing and the scale and bulk of the development leading to a sense of enclosure. They consider the Council failed to properly take account of their objections.
9. The officer's report to Committee includes the planning officer's consideration of these key objections. It does not specifically address every point made by Mr and Mrs B in their objection. It would not have been practical to do so.
10. In relation to privacy and overlooking, the report goes into some detail about how the officer considered Mr and Mrs B's concerns about loss of privacy to their garden and bedroom.
11. The Council asked the developer to amend the plans to include a louvre screen to the side of the rear facing balcony. In Mr and Mrs B's objection they explained why they did not consider the louvre screen would sufficiently protect their privacy. However, the Council was satisfied that the views from the balcony would be oblique and would not allow direct overlooking of Mr and Mrs B's garden.
12. The Council also added a condition requiring a first floor window to be obscure glazed to ensure there would be no outlook towards Mr and Mrs B's bedroom window. It decided it was not necessary to require one of the velux windows to be obscure glazed due to its height and the obliqueness of the view.
13. I am satisfied that the Council properly considered Mr and Mrs B's concerns about loss of privacy to their garden and bedroom from the rear facing balcony, side facing window and velux window.
14. However, I consider the Council failed to take into account Mr and Mrs B's concerns about another part of the balcony which is not screened and will face their property. The report contains no analysis of the impact of this part of the balcony and does not mention Mr and Mrs B's concerns about loss of privacy to their living room. This was a fault. It seems likely from the plans I have seen that there will be a direct line of sight from this part of the balcony into Mr and Mrs B's living room and garden room.
15. Mr and Mrs B consider the Council should not have relied on a sun study submitted by the developer. I am satisfied that the Council had sufficient information to be able to reach a view about the overshadowing created by the

extension. It decided that the level of overshadowing would not be great enough to warrant refusal of the application. I have found no evidence of fault in the way this decision was reached.

16. The drawings pack provided to the Committee included plans, elevations, perspectives and photographs. Several of the drawings contain errors. One of the elevations does not include a window facing Mr and Mrs B's property and in one the existing and proposed labels are wrong. There are windows labelled incorrectly on some of the perspective views and the balcony is missing on one.
17. These errors were pointed out by Mr and Mrs B when they objected to the proposal and were listed in the officer's report to Committee. I am satisfied that members were made aware of these errors and that they did not affect the Council's decision to grant planning permission.
18. In Mr and Mrs B's objection to the proposal, they referred to another drawing which they considered was inaccurate. The Council had asked the developer to provide this drawing to demonstrate how the extension would affect the outlook from Mr and Mrs B's property. It shows the existing view from two of Mr and Mrs B's living room windows and the view once the extension has been built. The existing view shows that one of the windows is already partially blocked by a garage. The proposed view shows that the extension will mostly block the outlook from this window and will only be slightly visible from the other window. The evidence I have seen suggests that this drawing is not an accurate representation of the existing view or the view once the extension has been built. It also incorrectly states that the distance between the extension wall and the boundary will be 2 metres when the approved plans show it will be around 1.4 metres. I consider the Council should not have included this drawing in the pack as it had the potential to mislead members about the impact of the proposal. This was fault.
19. The officer's report also incorrectly states that this distance is 2 metres rather than around 1.4 metres. This was fault. However, it correctly states that the extension will visually enclose the outlook from one window and will be visible from the other window. On balance, I consider it likely that the Council would have granted planning permission if the drawing was not included in the pack to Committee and the officer's report had stated the correct separation distance.
20. The Council wrongly listed one of the three dimensional perspective views as an approved plan on the decision notice. It says that its officer included this drawing because it contained details of the louvre screen. The Council accepts that this was an error and it should have sought the louvre details as part of amended elevations before it granted planning permission. The Council has apologised for this.
21. In Mr and Mrs B's objection, they said that they were concerned that the design of the louvre screen was such that it would not protect their privacy. I have seen nothing to suggest the Council considered their concerns before it granted planning permission. This was fault.
22. The Council should have considered their concerns and should have either required the developer to submit fully detailed amended plans or attached a condition to the decision requiring the developer to submit and gain approval of the louvre details. If it had done so, it would have had a greater degree of control over the design of the screen.
23. The Council says that the proposal section of the officer's report could have been more explicit in setting out exactly which drawings were being considered for

approval and which had been submitted as merely indicative or illustrative material. The Council has apologised to Mr and Mrs B and offered to pay them £100 for the time and trouble this caused them in making their objections clear. I do not consider Mr and Mrs B were put to time and trouble making their objections clear as a result of the contents of the officer's report. This is because council officers write such reports after they have received any objections.

Agreed action

24. The Council has obtained the developer's agreement to add a screen to the section of balcony facing Mr and Mrs B's property. It has also reminded its officers of the need to ensure that plans are checked for accuracy before planning applications are determined and to seek clarification if submitted plans are vague or imprecise.
25. The Council will also apologise to Mr and Mrs B for the failings identified in this case. It will make a payment of £500 to Mr and Mrs B to recognise the time and trouble they have been put to pursuing their complaint and for the uncertainty they have been left with as to whether the outcome would be any different if there had been no fault. The Council will take this action within four weeks.

Final decision

26. I have completed my investigation and uphold Mr and Mrs B's complaint. There was fault by the Council which caused injustice to Mr and Mrs B. The action the Council will take is sufficient to remedy their injustice.

Investigator's decision on behalf of the Ombudsman

because of the height and solid nature of the balustrade, someone sitting down on the balcony would not be able to look down into the garden at no

Intensive vegetation along the fence would prevent overlooking in the first place.

line of first floor perimeter

1300

bed 15.7

tile roof

bath 3.7

hall 4.2

bed 15.7

bath 4.4

zinc or tile roof

balcony

vertical louvers screen for further privacy

increased balustrade width to prevent looking down into living room

virtually unobstructed view from the FF bedroom amount of daylight/sunlight virtually uncompromised

app 5m

app 3.6m

app 4.2 m

secondary bedroom window

main bedroom window

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