



# Cambridge City Council

## Strategy and Resources Scrutiny Committee

**Date:** Monday, 9 October 2017

**Time:** 5.00 pm

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

**Contact:** democratic.services@cambridge.gov.uk, tel:01223 457013

### Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes of the Previous Meeting (Pages 5 - 22)
- 4 Public Questions
- 5 Record of Urgent Decisions taken by the Leader of the Council and the Executive Councillor for Finance and Resources
- 5a Disposal of Warkworth Lodge, Warkworth Terrace, Cambridge (Pages 23 - 24)
- 5b Discretionary Business Rate Relief Schemes Following Revaluation. (Pages 25 - 52)

### Decisions for the Executive Councillor for Finance and Resources

- 6 Treasury Management Half Yearly Update Report 2017/18 (Pages 53 - 70)
- 7 General Fund Medium Term Financial Strategy (Pages 71 - 124)
- 8 Climate Change Strategy Annual Progress Report (Pages 125 - 156)
- 9 Procurement of Corporate Frameworks (Pages 157 - 162)

### Decisions for the Executive Councillor for Strategy and Transformation

- 10 PSPO (Touting) 2016: Review (Pages 163 -

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|----|---|-------------------|
| 11 | Combined Authority update   | (Pages 185 - 226) |
| 12 | Review of Corporate Enforcement Policy 2014   | (Pages 227 - 252) |
| 13 | Arrangements for Disposal of Council Land and Payment for Social Housing to the Cambridge Investment Partnership<br>Report to follow. |                   |

**Strategy and Resources Scrutiny Committee Members:** Barnett (Chair), Baigent (Vice-Chair), Bick, Cantrill, Sarris and Sinnott

**Alternates:** Abbott, Avery and Sargeant

**Executive Councillors:** Herbert (Executive Councillor for Strategy and Transformation) and Robertson (Executive Councillor for Finance and Resources)

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## **STRATEGY AND RESOURCES SCRUTINY COMMITTEE**

3 July 2017

5.00 - 7.40 pm

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

Executive Councillors: Herbert (Leader of the Council) and Robertson (Executive Councillor for Finance and Resources)

### **Officers:**

Chief Executive: Antoinette Jackson

Strategic Director: David Edwards

Director of Planning and Economic Development: Stephen Kelly

Head of Corporate Strategy: Andrew Limb

Head of Finance: Caroline Ryba

Head of Estates and Facilities: Trevor Burdon

Corporate Project Manager: Fran Barratt

Asset Manager: Will Barfield

Operations Manager-Community Engagement and Enforcement: Wendy Young

CCM Markets & Street Trading Development: Daniel Ritchie

Equality and Anti-Poverty Officer: Helen Crowther

Committee Manager: Emily Watts

### **Others Present:**

BID Chairman: Ian Sandison

Chief Executive Officer for Visit Cambridge and Beyond: Emma Thornton

<b>FOR THE INFORMATION OF THE COUNCIL</b>
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### **17/15/SR Apologies for Absence**

Apologies were received from Councillor Sarris; Councillor Abbott attended as an alternate.

### **17/16/SR Declarations of Interest**

No declarations of interest were made.

### **17/17/SR Minutes of the Previous Meeting**

The minutes of the meetings held on 20 March and 25 May were approved as a correct record and signed by the Chair.

### **17/18/SR Public Questions**

Mr Martin Lucas-Smith spoke on item 17/28/SR, full details can be found at the head of this item.

### **17/19/SR Re-ordered Agenda**

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

### **17/20/SR 2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances- Finance and Resources portfolio**

#### **Matter for Decision**

The report presented a summary of actual income and expenditure compared to the final budget for 2016/17 (outturn position). The report gave an overview of the revenue and capital budget variances with explanations and outlined specific requests to carry forward funding available from budget underspends into 2017/18.

#### **Decision of Executive Councillor for Finance and Resources:**

- i. Agreed to carry forward requests totalling £222,700 revenue funding from 2016/17 to 2017/18, as detailed in **Appendix C**.
- ii. Agreed to carry forward requests of £24,045k capital resources from 2016/17 to 2017/18 to fund rephased net capital spending, as detailed in **Appendix D**.

#### **Reason for the Decision**

As set out in the Officer's report.

#### **Any Alternative Options Considered and Rejected**

Not applicable.

#### **Scrutiny Considerations**

The Committee received a report from the Head of Finance.

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

- i. Sought clarification regarding the £6 million overspend in the general fund capital summary.
- ii. Queried how the rephrasing requests of £31,488k map through to the overall figures for the capital budget across all portfolios.

The Head of Finance said the following in response to Members' questions:

- i. The general fund property acquisition for the housing company outlined the breakdown of figures. The capital outturn of £8.5 million was composed of two parts. The first funded the development of housing directly, the second part provided a loan to the housing company. The overspend had been offset by a capital receipt equal to the value of the build spend incurred by the Council.
- ii. Confirmed that other reports which had gone to scrutiny committees in different portfolios would substantiate the rephrasing request figures, for example housing made a large contribution to this.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

### **17/21/SR 2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances (All Portfolios)**

#### **Matter for Decision**

The report presented a summary of actual income and expenditure compared to the final budget for 2016/17 (outturn position). The report outlined the revenue and capital budget variances with explanations, as reported to individual Executive Councillors and Scrutiny Committee specific requests to carry forward funding available from budget underspends into 2017/18.

The outturn report presented in this Committee cycle reflected 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 had 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.

#### **Decision of Executive Councillor for Finance and Resources:**

- i. Agreed to seek Council approval for carry forward requests totalling £914,330 revenue funding from 2016/17 to 2017/18, as detailed in Appendix C
- ii. Agreed to seek Council approval for 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.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Head of Finance.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

**17/22/SR Annual Treasury Management (Outturn) Report 2016/17****Matter for Decision**

The Council was 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.

This 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.

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

**Decision of Executive Councillor for Finance and Resources:**

- i. Recommended the report to Council inclusive of the Council's actual Prudential and Treasury Indicators for 2016/17.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The committee received a report from the Head of Finance.

Councillor Cantrill commented that the approach to risk appeared outdated and asked whether a different approach might be taken in the future.

The Head of Finance confirmed that the council took a conservative approach to risk. As there was no indication that there would be any change to the investment strategy, the council was not undertaking any borrowing and therefore the risk was very low.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendation.

**17/23/SR Office Accommodation Strategy****Matter for Decision**

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

It was essential to progress the Mandela House project in order to meet the timescales to vacate Hobson House by 31 March 2018.

**Decision of Executive Councillor for Finance and Resources:**

- i. Approved the scope of the refurbishment schemes, subject to approval of Capital Funding by Council, for Mandela House.
- ii. Recommended to Council the additional capital funding for the scheme which would be funded from reserves.
- iii. Subject to the agreed funding from Council approved the award of Contract for Mandela House and furniture as described in the exempt appendix 1.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Head of Estates.

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

- i. Commented that the amount of money being invested into Mandela House queried whether it was the intention for it to be used by the council for a long time. Asked what the officer view was on the length of time that they were likely to be based there.

The Head of Estates and Facilities said the following in response to Members' questions:

- i. The work carried out on Mandela House would have a minimum life span of ten years. There was no guarantee that the council would continue to base itself at Mandela for ten years but the improvements gave the council time to make future decisions. The refurbishment also added value to the building in the event that a decision to sell or let was made.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor stated that the ruling group was committed to retaining the Customer Service Centre at a city centre location which Mandela House provided especially as it is close to the bus interchange area, and approved the recommendation.

**17/24/SR Guildhall Energy Efficiency Works****Matter for Decision**

In December 2015, the Council appointed an external contractor (Bouygues Group PLC) to identify energy efficiency projects within the Council's buildings and estate. Following extensive investigations, Bouygues have identified a package of proposed measures to significantly reduce energy consumption and carbon emissions from the Guildhall and deliver ongoing financial savings for the Council.

The report outlined the proposed measures. The budget for these works was approved at Council on 23 February 2017 as part of the Budget Setting Report for 2017/18. As it was anticipated that the value of these capital works would exceed £300,000, delegated approval was sought for the Strategic Director to award a contract for the works up to the value agreed at Council.

**Decision of Executive Councillor for Finance and Resources:**

- i. Gave delegated approval for the Strategic Director to award a contract for energy efficiency works, renewable energy works and associated roofing works at the Guildhall up to the value agreed in the Budget Setting Report at Council on 23 February 2017.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Asset Manager.

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

- i. In welcoming the proposals commented that modernising systems should reduce the council's carbon footprint.
- ii. Asked if officers had a view on how these works could be impacted by future changes created by the Office Accommodation Strategy.

The Asset Manager said that the office accommodation work was ongoing but there was no indication that this would have a detrimental impact on the energy efficiency works.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

**17/25/SR Public Spaces Protection Order For Dog Control in Cambridge****Matter for Decision**

This report considered the statutory consultation exercise conducted by the Council during October and November, 2016 (stage 1), and April, 2017 (stage 2), in relation to the proposal to introduce a Public Spaces Protection Order

(‘PSPO’) in respect of dog control (including dog fouling, dog exclusion and dogs on leads requirements) within Cambridge. As a result of the responses to consultation and main substantive issues raised, a number of changes to the text of the draft PSPO as consulted upon were proposed.

The reason for putting forward the PSPO was to address the detrimental effect on the quality of life of those in the locality caused by the irresponsible behaviour of a small minority of dog owners and to set out a clear standard of behaviour to which all dog owners are required to adhere.

**Decision of Executive Councillor for Strategy and Transformation:**

- i. Approved the proposed PSPO, as set out in Appendix A.
- ii. Approved the area of the PSPO, as indicated in the maps at Appendix B.
- iii. Delegated to officers’ the authority to install signage appropriate to the PSPO.

**Reason for the Decision**

As set out in the Officer’s report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Operational Manager, Community Engagement and Enforcement.

This item was not requested for pre-scrutiny.

**17/26/SR 2016-17 Annual Report on the Corporate Plan**

**Matter for Decision**

The report provided an annual report on progress made implementing the objectives set out in the Corporate Plan 2016-19.

**Decision of Executive Councillor for Strategy and Transformation:**

- i. Noted the annual report and agreed to its publication on the City Council website.

**Reason for the Decision**

As set out in the Officer’s report.

**Any Alternative Options Considered and Rejected**



Not applicable.

### **Scrutiny Considerations**

The Committee received a report from Head of Corporate Strategy.

This item was not requested for pre-scrutiny.

### **17/27/SR 2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances- Strategy & Transformation Portfolio**

#### **Matter for Decision**

The report gave a summary of actual income and expenditure compared to the final budget for 2016/17 (outturn position). The report outlined the revenue and capital budget variances with explanations. It outlined specific requests to carry forward funding available from budget underspends into 2017/18.

#### **Decision of Executive Councillor for Strategy and Transformation:**

- i. Agreed to carry forward requests totalling £561,600 revenue funding from 2016/17 to 2017/18, as detailed in **Appendix C**
- ii. Agreed to carry forward requests of £60k capital resources from 2016/17 to 2017/18 to fund rephased net capital spending, as detailed in **Appendix D**.

#### **Reason for the Decision**

As set out in the Officer's report.

#### **Any Alternative Options Considered and Rejected**

Not applicable.

### **Scrutiny Considerations**

The Committee received a report from the Head of Finance.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendation.

### **17/28/SR Shared Planning Service - Business Case**

#### **Matter for Decision**

The report provided information regarding proposals for a new, transformed Planning Service between Cambridge City Council and South Cambridgeshire

District Council. Approval of the Business Case was sought in line with the principles which were approved by the Leader following scrutiny in March 2017.

### **Decision of Executive Councillor for Strategy and Transformation:**

- i. Approved the Business Case for the new Planning Service attached was approved (see Appendix 1).
- ii. South Cambridgeshire District Council was agreed to be the Employing Authority for this shared service.
- iii. Agreed that delegated authority was to be given to the Director of Planning and Economic Development to deliver the phases of the proposal as set out in the Business Case.

### **Reason for the Decision**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected**

Not applicable.

### **Scrutiny Considerations**

The Committee received a report from the Director of Planning and Economic Development.

### **Public Question**

A member of the public asked a question as set out below.

1. **Martin Lucas-Smith, Liaison Officer at Cambridge Cycling Campaign, raised the following points:**
  - i. **Wanted assurance that issues that were distinctive to Cambridge would remain a priority in the Shared Service.**
  - ii. **Asked if Planning Officers would still be based at the Guildhall, access to them was much easier and more preferable than travelling to Cambourne.**
  - iii. **Asked if the issues with the online planning software IDOX could be resolved?**

The Director of Planning and Economic Development responded:

- i. The objective of the Shared Service was to work with communities and have a clearer cross section of groups to ensure the needs of local areas were addressed.
- ii. Confirmed that there were no plans for the planning team to vacate the Guildhall.

- iii. ICT solutions were a priority. The Corporate Business Processing Manager was in the process of engaging with officers on site to identify key issues.
- iv. A strong core planning team who knew the local area was essential, becoming less reliant on agency staff and assuming a sense of place.

**Martin Lucas-Smith gave the following response:**

- i. **Suggested that a workshop could be useful to provide feedback on some of the main IT issues.**

Councillor Bick sought clarification on the following points:

- i. Why South Cambridgeshire District Council would be the employing authority. Across the spectrum of shared services the City Council employed approximately 14.15% of staff which was the lowest out of all the corresponding authorities. He affirmed that the split did not seem balanced and the report failed to present a reason why this approach had been decided.
- ii. Asked about what the disruption that the report's joint planning services arrangements referred to in the report.

The Executive Councillor for Strategy and Transformation responded:

- i. Confirmed that the Director of Planning and Economic Development reported to both councils so there was no imbalance.
- ii. The approach to governance of the service was subject to review. The idea of joint governance had been suggested. Improvements needed to be made but nothing could be confirmed at present.
- iii. There was no threat of offshoring services. A single set of terms and conditions would be agreed in time. Where staff were transferred their terms and conditions would be protected. The recruitment and retention of high quality staff was paramount to the initiative.
- iv. Planning staff, including staff dealing with Cambridge applications, would continue to be based in Cambridge, and applicants, residents and others needing to discuss issues would be able to meet in Cambridge too, just like now.
- v. In the future it was likely that more services would be shared so there would be future opportunities for the City Council to be the employing authority.
- vi. Minimising disruption during the transition was a key priority, the way to ensure certainty from the outset was to roll out the changes in stages.

Councillor Bick requested that the recommendations highlighted in the Officer's report be voted on and recorded separately. The Chair granted this request:

The Committee resolved by 6 votes to 0 to endorse recommendations i and iii.

The Committee resolved by 4 votes to 2 to endorse recommendations ii.

The Executive Councillor approved the recommendations.

### **17/29/SR 3C Shared Services - Annual Report 2016/17**

#### **Matter for Decision**

The report provided a summary of the performance for the 3C Shared Services during 2016/17. The scope included Legal, Building Control and ICT. The principle of producing an annual report for the 3 way shared services was agreed by the Leader during scrutiny in July 2015.

#### **Decision of Executive Councillor for Strategy and Transformation:**

- i. Noted the content of this report

#### **Reason for the Decision**

As set out in the Officer's report.

#### **Any Alternative Options Considered and Rejected**

Not applicable.

#### **Scrutiny Considerations**

The Committee received a report from the Interim Strategic Director.

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

- i. Asked if it likely that the target of 15% savings would be achieved in the future?

The Interim Strategic Director and Executive Councillor for Strategy and Transformation said the following in response to the Members' question:

- i. Confirmed that among the shared services, legal was expected to achieve 15% savings. ICT had made staff and system savings, these would align in the future in conjunction with the digital strategy but at present the future percentage was unclear. Staffing costs had contributed to the low level of savings for building control, however a new

Head of Service had just started and recruitment of further permanent staff was a continued priority.

- ii. Suggested that the business plans for each service could be brought forward for scrutiny.

The Executive Councillor noted the content of the report.

## **17/30/SR Update on Cambridgeshire & Peterborough Combined Authority**

### **Matter for Decision**

The report provided an update on the activities of the Combined Authority since the last meeting of Strategy and Resources Scrutiny Committee in March 2017.

### **Decision of Executive Councillor for Strategy and Transformation:**

- i. Agreed to report the contents of this report to the scrutiny committee.
- ii. Provided a verbal update at the meeting on issues considered at the 28 June meeting of the Combined Authority.
- iii. Agreed to provide informal briefings if a Group Leader or a Combined Authority Overview and Scrutiny representative requested this using the process set out in paragraph 7.6.
- iv. If a Group Leader or a Combined Authority Overview and Scrutiny representative wishes an informal briefing following a decision of the Combined Authority Overview and Scrutiny Committee to call-in a decision of the Combined Authority, Democratic Services will follow the process as described section 7.6 of the Officers report.

### **Reason for the Decision**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected**

Councillors requested a change to recommendation 2.2. Councillor Cantrill formally proposed to amend the following recommendation from the Officer's report (amendments shown as bold and struck through text):

- iii Agreed to provide informal briefings **if a Group Leader or a Combined Authority Overview and Scrutiny representative** ~~with group leaders and Combined Authority Overview and Scrutiny representatives~~, if requested this using the process set out in paragraph 7.6.

Councillor Cantrill formally proposed an additional point under section 7.6 of the officer's report (addition shown in bold):

**iv. If a Group Leader or a Combined Authority Overview and Scrutiny representative wishes an informal briefing following a decision of the Combined Authority Overview and Scrutiny Committee to call-in a decision of the Combined Authority, Democratic Services will follow the process as described section 7.6 of the Officers report.**

### **Scrutiny Considerations**

The Committee received a report from the Chief Executive.

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

- i. Commented that the formal process of scrutiny outlined in section 7.6 was not set up for pre-scrutiny.
- ii. Recognised the need to be flexible with their approach to scrutiny but suggested that some authorised record of the meeting was required, perhaps in the form of minutes.
- iii. Asked about the status of the 100 day plan and whether the Combined Authority had any input or whether it was produced by the Mayor alone?
- iv. Asked if there was a chance that the £70 million that the government promised to fund housing in Cambridge could be side-lined?

The Chief Executive and Executive Councillor for Strategy and Transformation said the following in response to Members' questions:

- i. Agreed that an appropriate method of scrutiny needed to be assessed in order for it to match the time and pace of the Combined Authority.
- ii. Agreed in principle that a formal record would be beneficial where a scrutiny meeting was held in response to a Combined Authority item being called in by the Overview and Scrutiny Committee.
- iii. The 100 day plan was created by the Mayor alone. It should be viewed in conjunction with the Combined Authority's Forward Plan.
- iv. Confirmed that the £70 million would not be side-lined.

The Committee unanimously resolved to endorse the recommendations as amended.

The Executive Councillor approved the recommendations as amended.

### **17/31/SR Cambridge BID Second Term Ballot**

#### **Matter for Decision**

The Committee received a report from the Development Manager, City Centre Management Markets and Street Trading on the Cambridge Business

Improvement District (BID) Second Term Ballot. The BID Chairman and Chief Executive Officer for Visit Cambridge and Beyond also attended.

Cambridge BID intended to seek a second five year term, by way of a ballot of businesses within the geographical area it proposed to cover, in the autumn of 2017. The second term would run from 1st April, 2018, to 31st March, 2023. The City Council was a nondomestic ratepayer in respect of a number of properties within the BID area and, as such, would be entitled to a number of votes in relation to these properties.

### **Decision of Executive Councillor for Strategy and Transformation**

- i. Agreed to exercise the City Council's voting entitlement in the forthcoming Cambridge BID second term ballot.
- ii. Supported, in principle, Cambridge BID in the second term ballot, in view of their performance in the successful delivery of services against the term one proposal; and the value for money Cambridge BID provided the City Council, balancing their levy contribution against expenditure the Council might otherwise be expected to commit to.

### **Reason for the Decision**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected**

Not applicable.

### **Scrutiny Considerations**

The Committee received a report from the Development Manager, City Centre Management Markets and Street Trading on the Cambridge Business Improvement District (BID). The BID Chairman and Chief Executive Officer for Visit Cambridge and Beyond also attended.

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

- i. Councillor Bick sought clarification regarding whether the purpose of this item was to give authorisation for a ballot to be held or whether it was the last opportunity for the committee to decide how they would eventually vote.
- ii. Queried whether authority needed to be in the form of a committee report and whether another debate before casting the vote was required.

- Suggested that the Leader could assume authority if the Committee agreed. Alternatively, the business plan could go to the Chair and Spokes in early October before the Leader made the casting vote.
- iii. Asked where Mill Road fits in to the debate after the issues that had arisen during the initial ballot five years ago.
  - iv. Commented that feedback had been received from residents regarding the BID's Ambassadors. Asked how they evaluated the role and contribution that the Ambassadors made.
  - v. Requested more detail on the unified visitor experience.
  - vi. Praised the BID's progress and outward vision. Agreed it had been a good investment for the city.

The Development Manager, City Centre Management Markets and Street Trading, BID Chairman and Chief Executive Officer for Visit Cambridge and Beyond said the following in response to Members' questions:

- i. Confirmed that the purpose of this item was to ensure the City Council as a key stakeholder would support to the BID to hold a ballot and delegate authority to the Leader to cast the City Council's vote.
- ii. Confirmed that the BID had tried to support Mill Road, however, as the area had such a variety of shops and businesses it had been difficult to get them to contribute voluntarily, which would be required.
- iii. The Ambassadors made a crucial contribution to the overall project. They played a key customer facing role whilst reporting a variety of information back in real time. Evaluation figures could be found in the annual report.
- iv. The unified visitor experience would be developed during the second term by working collaboratively with Visit Cambridge. It aimed to give visitors a more interactive experience with access to information via apps and online material such as guides, maps and a visit cam, helping to navigate the city better.
- v. Confirmed that the business plan for the second term ballot would be published on 20 September.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

## **17/32/SR Single Equality Scheme**

### **Matter for Decision**



The report provided an update on progress in delivering key actions set out in the Single Equality Scheme (SES) for 2016/17. It also proposed some new actions for delivery during 2017/18.

The Council's SES was originally approved by the Executive Councillor for Strategy and Transformation at the Strategy and Resources Committee on 13 July 2015. The SES set out how the organisation would challenge discrimination and promote equal opportunity in all aspects of its work over a three year period (2015-2018).

### **Decision of Executive Councillor for Strategy and transformation**

- i. Noted the progress in delivering equalities actions during 2016/17.
- ii. Approved the actions proposed in the SES for delivery during 2017/18.

### **Reason for the Decision**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected**

Not applicable.

### **Scrutiny Considerations**

The Committee received a report from the Equality and Anti-Poverty Officer.

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

- i. Thanked officers for their hard work, the report highlighted how many services were being delivered by the council.
- ii. Queried what impact the equal access programmes had made and what they had been used for?
- iii. Asked if the Leader shared the national scepticism on the Prevent Strategy?
- iv. Praised the work with ethnic minority groups, continued engagement had made a noticeable improvement in relations between the communities.

The Equality and Anti-Poverty Officer and Executive Councillor for Strategy and Transformation said the following in response to Members' questions:

- v. The equal access programmes had given recipients lots of new skills. The future plan was to expand these services and ensure recipients were involved in decision making.
- vi. At present faith groups did not have a structured community response so undertaking a study to assess the demand for a Council of Faiths and increase involvement was a priority.

- vii. Confirmed that the Prevent Strategy covered a range of issues not singularly radicalisation. The programme involved representatives from a range of backgrounds and had a positive impact in Cambridge. If a national review of the programme was undertaken the council would happily take part.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

The meeting ended at 7.40 pm

**CHAIR**

Agenda Item 5a

**CAMBRIDGE CITY COUNCIL**  
Record of Executive Decision

<b>DISPOSAL OF WARKWORTH LODGE, WARKWORTH TERRACE, CAMBRIDGE</b>
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<b>Decision of:</b>	<b>Councillor Robertson</b> , Executive Councillor for Finance and Resources		
<b>Reference:</b>	17/URGENCY/SR/5		
<b>Date of decision:</b>	24 August 2017	<b>Recorded on:</b>	29 August 2017
<b>Decision Type:</b>	Key Decision		
<b>Matter for Decision:</b>	Disposal of Warkworth Lodge, Warkworth Terrace, Cambridge		
<b>Why the decision had to be made (and any alternative options):</b>	There was a purchaser wanting to progress and the City Council wanted to get them under contract as soon as possible to secure the sale in an uncertain market and also because the property was currently vacant.		
<b>The Executive Councillor's decision(s):</b>	A) Approved the disposal of the City Council's freehold interest in Warkworth Lodge, Warkworth Terrace, Cambridge. B) Delegated authority to Head of Property Services to approve the final terms of disposal of Warkworth Lodge in accordance with this report.		
<b>Reasons for the decision:</b>	A sale of the property has now been provisionally agreed.		
<b>Scrutiny consideration:</b>	The Chair and Spokesperson of Strategy and Resources Scrutiny Committee were consulted prior to the action being authorised. The Opposition Spokesperson did not support the decision.		
<b>Report:</b>	A report detailing the background and financial considerations is not attached to this Record of Decision because the information contained within the documents is confidential by virtue of paragraph 3, of part 1 Schedule 12A (Information relating to the financial or business affairs of any particular person (including the authority holding that information) of the Local Government Act 1972.		
<b>Conflicts of interest:</b>	None		
<b>Comments:</b>	This urgent decision will be reported back to the next Strategy and Resources Scrutiny Committee.		

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**DISCRETIONARY BUSINESS RATE RELIEF SCHEMES  
FOLLOWING REVALUATION.**

**Decision of:** Councillor Robertson, Executive Councillor for Finance and Resources

**Reference:** 17/URGENCY/SR/6

**Date of decision:** 1 September 2017      **Recorded on:** 1 September 2017

**Decision Type:** Key Decision

**Matter for Decision:** Discretionary Business Rate Relief Schemes following Revaluation.

**Why the decision had to be made (and any alternative options):** These schemes had to be adopted as an urgent decision so that awards could be determined as soon as possible

**The Executive Councillor’s decision(s):**

- A) Agreed to provide a discretionary relief scheme outlined in the officers’ report for ratepayers who apply and meet the qualifying criteria.
- B) Agreed to delegate the decision relating to the distribution of the reduced funding in years 2-4 provided by Government to the Head of Revenues and Benefits, which will be allocated to qualifying ratepayers but reduced proportionately in line with the funding provided by Government
- C) Agreed that the Council would utilise its powers under Section 47 of the Local Government Finance Act 1988 to provide relief to qualifying public houses and Small Businesses under the terms of the relief introduced by Government in the Spring Budget of 2017.

**Reasons for the decision:** To adopt the powers to grant this relief and to set out guidance for the award of discretionary business rate relief to support businesses which have had significant increase in liability from the Government’s revaluation 2017.

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

**Report:** A report detailing the background and financial considerations is attached and associated papers.

**Conflicts of interest:** None

**Comments:** This urgent decision will be reported back to the next Strategy and Resources Scrutiny Committee.



## **Cambridge City Council**

### **Discretionary Business Rate Relief Schemes Following Revaluation**

### **Spring Budget 2017**

### **Briefing Paper for Urgent Decision**

#### **1. Executive summary**

- 1.1 The Government determined to revalue business rates properties which took effect from April 2017. The review was not intended to raise additional revenue, but to update rental values for properties and intended to be fiscally neutral nationally. However, regionally and at an individual business level the effect varied, such that some have encountered significant increases and decreases.
- 1.2 However, the Government has recently determined that local authorities can also provide additional discretionary relief to businesses affected by significant increases via a fund which it has introduced for this purpose (announced in the Spring Budget 2017).
- 1.3 The purpose of this report is to adopt the powers to grant this relief and to set out guidance for the award of discretionary business rate relief to support businesses that have had significant increase in liability from the Government's revaluation 2017.
- 1.4 The report also provides details of additional support to public houses and small businesses encountering large increases in business rates, which are wholly funded by the Government.

## 2. Recommendations

**The Executive Councillor for Finance and Resources is recommended:**

- 2.1 To provide a discretionary relief scheme outlined in this report for ratepayers who apply and meet the qualifying criteria, and
- 2.2 To delegate the decision relating to the distribution of the reduced funding in years 2-4 provided by Government to the Head of Revenues and Benefits, which will be allocated to qualifying ratepayers but reduced proportionately in line with the funding provided by Government
- 2.3 To confirm that the Council will utilise its powers under Section 47 of the Local Government Finance Act 1988 to provide relief to qualifying public houses and Small Businesses under the terms of the relief introduced by Government in the Spring Budget of 2017.
- 2.4 It is proposed that adopt these schemes as an urgent decision so that awards can be determined as soon as possible.

## 3. Background

- 3.1 On 8 March 2017, the Chancellor announced that the Government would make available a fund of £300 million from 2017/18 to 2020/2021 to support businesses across England facing a steep increase in their business rate bills as a result of the 2017 revaluation. The Chancellor stated that local government is best placed to determine how the fund should be targeted to support those businesses within their areas that have the greatest need.
- 3.2 The Government's intention is that every billing authority in England will be provided with a share of the above fund in order for them to support their local businesses and to administer their schemes through discretionary relief powers under section 47 of the Local Government Act 1988.
- 3.3 The Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies. The Government has allocated the available funding to each billing authority area based on assumptions about how authorities will target their relief scheme.
- 3.4 Cambridge City Council has been granted £755k to fund its scheme which is to be split over the financial years 2017-18 to 2020-21, in the following proportions.

2017/18	2018/19	2019/20	2020/21
£440k	£214k	£88k	£13k



- 3.5 In summary, the rationale behind the proposals are to:
- Target relief at local businesses that are facing the largest increases in their rate bills as a result of the 2017 revaluation;
  - Distribute the extra relief in such a way to ensure that the smaller businesses receive the greatest support;
  - Ensure that the relief is distributed as quickly as possible and to make any application process as simple as possible to encourage the greatest take-up; and
  - Develop a scheme that is simple and cost effective to administer.
- 3.6 The report also provides details of additional support provided to public houses and businesses that qualify for small business rate relief that are facing large increases as a result of changes to rateable values following the Revaluation; these are administered outside of this discretionary scheme.

#### **4. Locally Determined Discretionary Relief**

- 4.1 In line with the Government's recommendations; the council will provide support to those ratepayers who are facing an increase in their rates bill following revaluation (this is a condition of the grant). The council's principles will however consider that more support will be provided to those:
- Ratepayers facing the most significant increase in its bill; and
  - Ratepayers occupying lower value properties.
- 4.2 Taking into account the Government's principles and assumptions in relation to the formula used by central government to calculate the amount and distribution of funding; the normal qualifying criteria for consideration for eligibility for relief is:
- the property has a rateable value for 2017/18 that is less than £200,000;
  - The increase in the rateable property's 2017/18 bill is more than 12.5% compared to its 2016/17 bill.
- 4.3 The Council will operate in a transparent, fair and consistent way to ensure that any relief granted under section 47 of the Local Government Act 1988 is granted consistently to benefit the community as a whole.

- 4.4 The Council will consult with neighbouring authorities to develop consistent process in managing awards made under any discretionary scheme as encouraged by Government.
- 4.5 Given the time constraints and the relatively small funding provision available, it is felt that the preferred option is to apply a targeted relief in keeping with the above principles.

## 5. Scheme outline

- 5.1 Under these proposals the amount of relief award will be determined by-
- The comparative increase in rates payable by a business from 2016/17 to 2017/18;
  - And the rateable value of the occupied property being below 200k.

When comparing charges and calculating any increase, any Transition Relief or Surcharge will be taken into account before any local discount is applied. (Transitional Relief /Surcharge is a national scheme that already limits the increases or decreases in rate bills following revaluation, the amount awarded varies depending on the rateable value of an individual property and will phase out over 4yrs)

- 5.2 Any business that qualifies for additional relief will receive-

- 5.2.1 A maximum lump sum payment which will be awarded up to the lower of the actual rate liability after any other applicable reliefs; or
- 5.2.2 Receive the maximum level of the award, which may vary depending on the final number of identified qualifying cases.

This is intended to reduce the risk of exceeding the grant award; as any overspend would be 100% cost to the Council.

- 5.3 The scheme outlined below is not designed to target any specific business sector(s) but will apply to local businesses across the City Council area. Other legislated schemes, already identified by central government are in place that assist other ratepayers e.g. relief for pubs, small business rate relief and charitable relief (both mandatory & discretionary).

## 6. Calculation of the Local Discretionary Rate Relief Scheme

### Selection Criteria & Qualifying conditions

- 6.1 The City Council had at the 1 April 2017, 4356 properties in the local rating list and assistance will be targeted at those businesses facing significant increases in their business rates and to those in lower value properties in line with the intentions of Government.
- 6.2 Normally this relates to properties with a rateable value (RV) below £200k and where their liability from 2016/17 to 2017/18 (after all other applicable reliefs) has increased by 12.5% or more. Businesses that fulfil the broad requirements have been analysed to establish the level of relief that may be granted, which provides the greatest reduction and which does not exceed the funding threshold of £440k in year1.

Analysis and initial modelling demonstrate that in year 1 the Council is able to grant the following reductions:

1. Overall charge has gone up between 12.5% and below 20% - a sum equal to 75% of the actual increase will be deducted from the liability for 2017/18 (after all other reliefs), or,
2. Overall charge has gone up by 20% or more - a sum equal to 90% of the actual increase will be deducted from the liability for 2017/18 (after all other reliefs), or,

### Examples :

- ABC Ltd, 2016/17 charge £15,000 and 2017/18 charge £17,000. Actual percentage increase 13.3%. Discount entitlement would be £1,500, being 75% of the £2k increase
- 123 Ltd, 2016/17 charge £25,000 and 2017/18 charge £27,000. Actual percentage increase 8% therefore no discount applicable.

If relief is awarded as described approximately £404k would be awarded to all qualifying businesses. This will utilise the majority of year 1 funding whilst allowing flexibility to make awards to other businesses that fall within the scheme due to businesses having RV reductions; this will reduce the likelihood of any overspend.

The percentages model above represents the maximum that could be awarded depending on the number and level of awards and/or unexpected changes to valuations in year; the actual award may however be lower.

A simple application process inviting applications that does not create an excessively heavy administrative burden on the Council, and which is easily understood by ratepayers will be adopted.

Overall the sum of money available is relatively small compared to the total rates collected by the authority (£106m in 2017/18) and therefore needs to be targeted towards a smaller number of local ratepayers.

Spreading the allocation thinly across a larger group of ratepayers is unlikely to have a noticeable impact on the viability of any individual business.

It is felt that supporting businesses with a national presence will not benefit the local community to a significant degree and as schemes develop across the country there could be wide scheme variations where businesses may get relief in one area but not in another.

Consideration has also been given to the fact that funding in years 2, 3 and 4 of the scheme drops dramatically, therefore supporting a smaller pool of ratepayers would ensure that a meaningful award could continue to be made in those years. Although it is recognised that just £13k available for distribution in year 4 will have very little impact on any recipient of the relief. (we are awaiting further clarification from DCLG whether Councils will be given the freedom to 'flex' money between financial years to maximise value for money and help avoid over/under spends)

Supporting a smaller group with the highest level of support is thought to have the greatest impact and in line with the intention of Central Government policy.

The scheme does not seek to allocate the full funding from the outset this is meant to allow some flexibility for in-year changes, for example RV reductions from appeals that would bring an otherwise excluded property into scope. Additionally this would retain some flexibility to re-consider individual cases that do not initially apply for funding.

It is anticipated that the reduced funding available in years 2 – 4 will broadly be allocated to the same qualifying ratepayers in Year 1 but the value of the relief will be reduced proportionately in line with the reduction in funding.

## 7. General Qualifying Conditions

- Properties must be entered on the 2010 rating list as at 31<sup>st</sup> March 2017 and on the 2017 list as at 1<sup>st</sup> April 2017.
- Property entered retrospectively into the lists or which fall within the qualifying criteria following splits or mergers of assessments will be eligible.
- Relief will not be awarded to new occupiers who move into a property after 1<sup>st</sup> April 2017.
- Relief will be apportioned on a daily basis if the occupier vacates the property.
- The award must comply with state aid law (Annex B).
- Any award will not exceed the rate liability for the year (i.e. the award of relief cannot put an account in credit)
- With all forms of relief the amount of relief awarded will be recalculated in the event of a change in circumstances. This could include, for example, a change to the rateable value of the premises, a change to the period of liability or a change in the amount due as a result of the application of other reliefs/exemptions. Relief may also be varied during the year where eligibility criteria are no longer met.

## 8. Notice Periods

- 8.1 Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) requires the council to provide all ratepayers with at least one year's notice, in writing of any decision to revoke or vary a decision that affects the amount of business rates they pay. Such a revocation or variation of a decision can only therefore take effect at the end of a financial year.

Based on the above requirements ratepayers will be notified of their award for each financial year making it clear that it will terminate at the end of the financial year at which point they will be invited to make a new application for relief, the level of which will be determined by the funding available.

As the funding decreases substantially across the scheme period, any award will be for the maximum of one year and relief will terminate at the end of each financial year (31<sup>st</sup> March ).

## **9. Managing the Process**

- 9.1 To ensure transparency, fairness and consistency any consideration to award a business a relief under this policy must meet the criteria set out in this document.
- 9.2 All applications must use the standard application form with additional supporting information as required.
- 9.3 No applications will be considered if the State Aid declaration has not been completed, signed and returned.
- 9.4 Any relief granted will reduce significantly across the 4 years of Government funding.
- 9.5 This is a discretionary scheme, there are no appeal rights to any other body; therefore the council will review any discretionary award decision.

In the first instance decisions on the award or refusal of discretionary relief will be made by a senior officer within the Revenues and Benefits Service. In the event that the applicant applies for a review of the decision this will be considered by the Head of Revenues & Benefits who will have the final decision making power. There will be no further right of review.

## **10. Additional Business Rate Relief for Public Houses**

- 10.1 In addition to the discretionary support outlined above the Government also announced in the Spring Budget additional support for certain public houses. A discount is therefore available for up to £1000 for public houses with a RV of up to £100,000 (subject to state aid limits for businesses with multiple properties) for one year from 1<sup>st</sup> April 2017. This discount will be applied before consideration of any relief under the Local Discretionary Relief Scheme.
- 10.2 The relief will be applied under Section 47 of the Local Government Finance Act 1988 and the authority will be fully reimbursed for the costs of granting this relief under Section 31.
- 10.3 It is estimated that approximately 80 pubs could qualify for this relief and revenues teams will actively contact these businesses to promote take up. An application form will be required to ensure that state aid rules are not contravened.

## **11. Supporting Small Business Rate Relief**

- 11.1 Further support was also announced to help certain small businesses affected by the revaluation. Known as 'Support to Small Business Relief' the intention is to provide relief to those businesses who, as a result of a change in their rateable value have lost some or all of their small business rate relief and would otherwise be facing a large increase in their rate bill.

This scheme will limit the increase in their rate bills to no more than £600. It is estimated that the City Council has approximately 12 businesses that might qualify. This discount will be applied before consideration of any relief under the Local Discretionary Relief Scheme.

- 11.2 Support for small business will be applied under Section 47 of the Local Government Finance Act 1988 and the authority will be fully reimbursed for the costs of granting this relief under Section 31

## **12. Financial Implications**

Government has confirmed a Section 31 grant allocation of £755k over 4yrs (as detailed at 2.4) to fund the local discretionary rate relief scheme.

Additionally the City Council will be fully reimbursed for relief awarded under the proposals for public house relief and support for small business relief.

## **13. Risk Management**

There is a risk that the authority exceeds the Government funding for the local discretionary relief scheme. The proposed scheme does not allocate the full funding from the outset and close monitoring and adherence to the scheme principles will be used to mitigate this risk.

## **14. Consultations**

As these are Government measures consultation has been undertaken nationally. As encouraged by Government revenues teams have consulted with neighbouring authorities on the design of local schemes

to ensure a level of consistency as far as practicable. Additionally the Authority is required to consult with County Council and the Fire and Police Authorities.

**Reference documents:-**

**Annex A – Properties not normally eligible for relief.**

**Annex B – State Aid Rules**

**DCLG Guidance Documents**

- Consultation on proposals on the design and implementation of the locally administered business rates relief scheme – issued by DCLG March 2017
- Grant determination letter from DCLG – 28<sup>th</sup> April 2017
- Update letter from DCLG – 15<sup>th</sup> May 2017

**Annex A**

The following is a list of properties that would not normally be eligible for relief under the discretionary scheme, however this is intended as a guide and we would accept any application for relief that fulfils the Government's intention relating to the 2017 Revaluation.

- **Ratepayers occupying multiple properties in Cambridge where the total RV of the individual properties exceeds 200k.**
- **Individual properties with a RV in excess of 200k.**
- **Properties where the increase in charge in 2017/18 compared with 2016/17 is less than 12.5%**
- **All properties identified as being publicly funded**



**(inc. precepting bodies, Schools, NHS)**

- **All properties that have no liability in 2017/18**
- **Property occupied by Regional, National or Global organisations not excluded elsewhere.**
- **Properties where the ratepayer is currently in receipt of 80% Mandatory Relief**

**(note that some ratepayers/properties may fall into more than one category)**

## **Annex B**

### **State Aid Rules**

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the support for ratepayers will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>2</sup>.

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis it is necessary for the council to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.



Department for  
Communities and  
Local Government

## Business Rates

Consultation on proposals on the design and  
implementation of the locally administered Business Rates  
Relief Scheme



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# 1. Scope of the consultation

**A consultation paper issued by the Department for Communities and Local Government on behalf of the Secretary of State**

<b>Topic of this consultation:</b>	Business rates. This consultation paper sets out the Government's proposals for the design of a discretionary business rates support scheme, administered by local government.
<b>Scope of this consultation:</b>	<p>At the Budget on 8 March the Chancellor announced that the Government would provide £300m to support those business most effected by the revaluation.</p> <p>The Department for Communities and Local Government is consulting on proposals for how local government would design and implement this scheme.</p>
<b>Geographical scope:</b>	As a devolved function the proposed scheme only applies to authorities in England.
<b>Impact Assessment:</b>	No impact assessment has been produced for this consultation because this is a discretionary activity.

## Basic Information

<b>To:</b>	This consultation is open to everyone. We particularly seek the views of all English local authorities and the Local Government Association and of businesses and their representative bodies.
<b>Body responsible for the consultation:</b>	The Department for Communities and Local Government is responsible for conducting the consultation.
<b>Duration:</b>	The consultation will begin on 9 March 2017. The consultation will run for four weeks and will close on 7 April 2017. All responses should be received by no later than 7 April 2017.
<b>Enquiries:</b>	<p>During the consultation, if you have any enquiries, please contact:</p> <p>email: <a href="mailto:ndr@communities.gsi.gov.uk">ndr@communities.gsi.gov.uk</a></p> <p>Tel: 030 3444 2518</p>
<b>How to respond:</b>	<p>You can respond by email or by post.</p> <p>Please respond by email to: <a href="mailto:ndr@communities.gsi.gov.uk">ndr@communities.gsi.gov.uk</a></p>

Alternatively, please send postal responses to:

Shaun Morroll  
Department for Communities and Local Government  
2nd Floor, NE, Fry Building  
2 Marsham Street  
London  
SW1P 4DF

Responses should be received by close on 7 April 2017.

When responding, please make it clear which questions you are responding to.

When you reply it would be very useful if you could confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name
- your position (if applicable)
- the name and address of your organisation (if applicable)and
- an e mail address (if you have one)

## **2. Introduction**

- 2.1 At the Budget on 8 March, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation. Local government is best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.
- 2.2 The intention is that every billing authority in England will be provided with a share of the £300 million to support their local businesses. This will be administered through billing authorities discretionary relief powers under section 47 of the Local Government Act 1988.
- 2.3 The Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies. The Government will allocate the available funding to each billing authority area based on assumptions about how authorities will target their relief scheme.
- 2.4 The proposed funding allocations set out in this consultation paper are for the total amount of relief to be provided to ratepayers. Under the 50% business rates retention system, the reduction in business rates receipts resulting from the increased award of discretionary relief will generally result in a reduction in local authorities' business rates income under the 50% rates retention system of 50% of the value of the relief given. In London, and those areas which are piloting 100% rates retention from 2017-18, the loss of income will be higher. Once the 100% rates retention system is introduced everywhere with effect from 2019-20, authorities will see their income reduced by the entire value of the relief given. For any year, the funding arrangements will ensure that all authorities are compensated for the loss of income they incur by means of grant payments under s.31 of the Local Government Act 2003, or transfer payments between authorities.

## **3. Consultation Parameters**

- 3.1 This consultation paper seeks views on the:
- Allocation of resources to local authorities (section 4)
  - Arrangements under which local authorities will be compensated for loss of income (section 5)



- Operation of discretionary relief schemes, including conditions to be attached to s.31 grants (section 6).

## 4. The Allocation of Resources to Local Authorities

- 4.1 The Government will make £300 million available to local authorities over four years from 2017-18, to provide discretionary relief to those ratepayers facing significant increases in their bills following the revaluation.
- 4.2 The Government is already providing support to such ratepayers through the transitional arrangements that it put in place following the revaluation; and through the additional support, announced at the Budget, to ratepayers who are losing some or all of their small business rate relief and to pubs.
- 4.3 The further £300 million is being made available for local authorities to develop their own discretionary relief schemes to deliver further targeted support to those hard-pressed ratepayers.
- 4.4 It will be for billing authorities, in collaboration with other authorities operating within their area, to design their discretionary relief schemes and determine the eligibility of ratepayers for support. The schemes must clearly set out the criteria that ratepayers across the local authority area, or within specific locations within their areas need to meet in order to qualify for discretionary relief.
- 4.5 The total resource available to support local authority's discretionary relief schemes is:

**£ 300million**

<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>175</b>	<b>85</b>	<b>35</b>	<b>5</b>

- 4.6 To allocate the resource between authorities the Government has assumed that authorities will provide support only to those ratepayers who are facing an increase in their bills following revaluation – and will make this a condition of the grant. It further assumes that, by and large, more support will be provided to;
- ratepayers or localities that face the most significant increases in bills; and
  - ratepayers occupying lower value properties

- 4.7 In line with those broad assumptions about how authorities will design their transitional relief schemes, we propose to allocate the available resource to each billing authority by:
- i. working out the total increase in bills (excluding the impact of transitional relief and other reliefs), for every rateable property in the billing authority's area that satisfies both the following conditions:
    - a. the rateable property has a rateable value for 2017-18 that is less than £200,000;
    - b. the increase in the rateable property's 2017-18 bill is more than 12.5% compared to its 2016-17 bill (before reliefs);
  - ii. summing the total increase in bills in all billing authority areas and distributing the available funding in each year in accordance with the formula:

$$A \times B/C,$$

Where:

A is the total funding available for the year;

B is the total increase in bills in an individual authority's area; and

C is the sum of the total increase in bills in all local authority areas.

- 4.8 Where the above formula produces an allocation of less than £100,000 in the first year of the programme, the amounts are topped-up to £100,000, in every case except that of the Isles of Scilly, which only has 445 rateable properties in total.

**Question 1: Do you agree that individual local authorities should be responsible for designing and implementing their own discretionary relief schemes, having regard to local circumstances and reflecting local economies?**

**Question 2: Are the Government's assumptions about the design of local discretionary relief schemes reasonable?**

**Question 3: Is the allocation methodology reasonable?**

## **5. Compensation Arrangements**

- 5.1 The allocations set out at appendix 1 represent the maximum amount of discretionary relief that billing authorities can award for which they and major precepting authorities will be compensated through s.31 grant.

- 5.2 Any discretionary relief paid by billing authorities in respect of “revaluation support” in excess of their allocation will not attract s.31 grant.
- 5.3 In each year of the scheme, we propose to pay billing and major precepting authorities s.31 grant equivalent to their loss of income under the business rates retention scheme. Subject to paragraph 5.4 below, payments will be based on estimates of the relief to be provided to ratepayers, capped at the maximum of that year’s allocation (as set out at appendix 1). Grant will be paid to authorities in four equal instalments, quarterly in arrears – i.e. at the end of June, September and December 2017 and the end of March 2018.
- 5.4 The Government recognises that local relief schemes will vary across the country according to the circumstances of local ratepayers and wants to ensure that the profile of payments set out at appendix 1 provides the most effective support to local ratepayers and secures maximum value for money over the four years of the programme. The Government therefore would welcome views on whether local authorities should be given some flexibility to switch resources between years.
- 5.5 As set out above, in the same way as for other payments under the business rates retention system, we propose that payments to billing authorities and major precepting authorities should be made during the course of the year, based on estimates of the amount of relief that the billing authority will give. Amounts will be reconciled following the end of the year when outturn figures are available; with payments of any difference being made to, or from, billing authorities and major precepting authorities, depending on whether outturn figures are higher or lower than the original estimates.
- 5.6 The current programme will span the introduction of 100% business rates retention in 2019-20; and before then, we may create more 100% business rates pilots in 2018-19. Accordingly, local authorities’ shares of business rates under the business rates retention scheme will change over the life of the discretionary relief programme. If authorities are given flexibility to switch resources between years (see paragraph 5.4 above) this could result in a s.31 payment for a previous year being switched into a later year. If this were to happen and the payment was then insufficient to reimburse an authority for its loss of income in that year because the authority’s share of business rates had increased, the Government would provide the authority with additional s.31 grant to ensure that it is fully compensated for the relief given, up to the maximum of that year’s “total pot”.
- 5.7 To assist authorities with the calculation of in-year payments, end-year reconciliations and the annual switching of a proportion of any year’s grant into later

years, the Department will provide for the necessary data entries and calculations as part of NNDR1s and NNDR3s.

- 5.8 As 2017-18 NNDR1s are now complete, exceptionally, for 2017-18, billing authorities will be asked to complete a one-off estimate of the relief they will grant in that year at the end of June to coincide with the first payment of s.31 grant.

**Question 4: Do you think that authorities should have some flexibility to switch resources between years to ensure relief provided meets local need and provides maximum value for money?**

**Question 5: Do you agree with the proposal that s.31 grant should be paid to compensate authorities for their loss of income under the rates retention scheme up to the maximum of that year's "total pot"?**

**Question 6: Do you agree with the proposals for administering payments, including in-year payments based on estimates, end-year reconciliations and payments quarterly in arrears?**

## **6. Operational Issues**

### ***Determining Schemes***

- 6.1 Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, the Government expects billing authorities to discuss options with their major precepting authorities at an early stage and to consult them before adopting any scheme and where applicable consult their combined authority.
- 6.2 We will place conditions on the s.31 grant that we pay billing authorities requiring them to consult their major precepting authorities and where applicable their combined authority.

### ***Notice Periods***

- 6.3 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059)<sup>1</sup> require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, local authorities may still make decisions which are conditional upon

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<sup>1</sup> The Non-Domestic Rating (Discretionary Relief) Regulations 1989 No. 1059.

eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

- 6.4 Therefore, when making an award for the support for ratepayers, local authorities must ensure in the conditions of the award that the relief can be recalculated in the event of a change to the rating list for the property concerned (retrospective or otherwise). This is so that the relief can be re-calculated if the rateable value changes.

### **State Aid**

- 6.5 State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the support for ratepayers will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>2</sup>.

- 6.6 The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2)<sup>3</sup>) and the requirement to convert the aid into Euros<sup>4</sup>.

- 6.7 To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation). Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance ***Discretionary Relief in Enterprise Zones?***

- 6.8 Where an eligible property is also eligible for Enterprise Zone relief, then Enterprise Zone relief should be granted and, until the introduction of 100% business rates retention, this will be funded under the rates retention scheme by a deduction from the central share (or, in the case of 100% business rates plots, from a separate s.31 grant). Local authorities should not provide discretionary relief under their schemes for “revaluation support” to properties which would otherwise qualify for Enterprise Zone government funded relief.

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<sup>2</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

<sup>3</sup> The ‘New SME Definition user guide and model declaration’ provides further guidance:

[http://ec.europa.eu/enterprise/policies/sme/files/sme\\_definition/sme\\_user\\_guide\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf)

<sup>4</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

6.9 If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, discretionary relief for “revaluation support” may be granted.

***Other Discretionary Reliefs reimbursed by s.31 grants***

6.10 Similarly, if a property is eligible for discretionary relief under schemes for which s.31 grant is payable – for example, “new empty property” relief, or “local newspaper relief” – authorities should first award relief under those schemes and claim s.31 grant funding in the normal way. Only having awarded relief under those schemes, should they then award additional relief for “revaluation support” in accordance with local schemes.

***Grant Conditions***

6.11 In line with paragraphs 5.6 and 6.2 above, we propose to place conditions on the s.31 grants that we give to authorities. The conditions will require grant to be used to support only ratepayers facing an increase in their bills following revaluation; and to require billing authorities to consult their major precepting authorities and, where appropriate, combined authorities, before adopting any discretionary relief support scheme.

**Question 7: Do you agree the grant conditions are appropriate?**

## **7. About this consultation**

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact DCLG Consultation Co-ordinator.

Department for Communities and Local Government

2 Marsham Street

London

SW1P 4DF

or by email to: [consultationcoordinator@communities.gsi.gov.uk](mailto:consultationcoordinator@communities.gsi.gov.uk)

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

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

Relevant scrutiny committee: Strategy & Resources  
09/10/2017  
Scrutiny Committee

Wards affected: All Wards

## **TREASURY MANAGEMENT HALF YEARLY UPDATE REPORT 2017/18**

### **Key Decision**

#### **1. Executive summary**

- 1.1 The Council has adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2011).
- 1.2 The Code requires as a minimum receipt by full Council of an Annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.
- 1.3 This half-year report has been prepared in accordance with CIPFA's Code of Practice on Treasury Management and covers the following:-
  - The Council's capital expenditure (Prudential Indicators);
  - A review of compliance with Treasury and Prudential Limits for 2017/18;
  - A review of the Council's borrowing strategy for 2017/18;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - A review of the Council's investment portfolio for 2017/18; and;
  - An update on interest rate forecasts following economic news in the first half of the 2017/18 financial year.
- 1.4 In line with the Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and to full Council.

## **2. Recommendations**

- 2.1 The Executive Councillor is asked to recommend this report to Council, which includes the Council's estimated Prudential and Treasury Indicators 2017/18 to 2020/21.

## **3. Background**

- 3.1 The Council is required to comply with the CIPFA Prudential Code (May 2013 edition) and the CIPFA Treasury Management Code of Practice (Revised November 2011). The Council is required to set prudential and treasury indicators, including an Authorised Limit for borrowing, for a three year period and should ensure that its capital plans are affordable, prudent and sustainable.
- 3.2 The Prudential and Treasury Codes of Practice are currently being reviewed by CIPFA, with the results expected by the end of this year, with implementation for 2018/19. Members will be kept updated with any proposed revisions as they become known.
- 3.3 The Council is currently supported in its treasury management functions by specialist advisors who are Capita Asset Services. Capita's services include the provision of advice to the Council on developments and best practice in this area and provide information on the creditworthiness of potential counterparties, deposits, borrowing, interest rates and the economy.

## **4. The Council's Capital Expenditure and Financing 2017/18 to 2020/21**

- 4.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or;
  - If insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.
- 4.2 Details of capital expenditure forms one of the required prudential indicators. The table below shows the proposed capital expenditure and how it will be financed. It also includes any re-phasing during 2017/18 and is in line with the agreed Capital Plan.

	<b>2017/18 Estimate £'000</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
General Fund Capital Expenditure	39,415	3,351	2,778	3,372
HRA Capital Expenditure	24,302	48,414	34,385	35,853
<b>Total Capital Expenditure</b>	<b>63,717</b>	<b>51,765</b>	<b>37,163</b>	<b>39,225</b>
Resourced by:				
• Capital receipts	-4,907	-11,860	-8,787	-5,598
• Other contributions	-44,810	-33,905	-28,376	-33,627
<b>Total resources available for financing capital expenditure</b>	<b>-49,717</b>	<b>-45,765</b>	<b>-37,163</b>	<b>-39,225</b>
<b>Financed from cash balances</b>	<b>14,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>

## 5. The Council's Prudential and Treasury Management Indicators

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

<b>Capital Financing Requirement &amp; Cumulative External Borrowing</b>	<b>2017/18 Estimate £'000</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
General Fund Capital Financing Requirement	24,697	30,697	30,697	30,697
HRA Capital Financing Requirement	214,321	214,321	214,321	214,321
<b>Total Capital Financing Requirement</b>	<b>239,018</b>	<b>245,018</b>	<b>245,018</b>	<b>245,018</b>
<b>Movement in the Capital Financing Requirement</b>	<b>14,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>
Estimated External Gross Debt/Borrowing				

<b>Capital Financing Requirement &amp; Cumulative External Borrowing</b>	<b>2017/18 Estimate £'000</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
(Including HRA Reform)	213,572	213,572	213,572	213,572
Authorised Limit for External Debt	250,000	250,000	250,000	250,000
Operational Boundary for External Debt	239,018	245,018	245,018	245,018

- 5.2 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members.
- 5.3 The table below shows the Council's current outstanding debt and headroom (the amount of additional borrowing that is possible without breaching the Authorised Borrowing Limit):-

	<b>Principal (£'000)</b>
Authorised Borrowing Limit (A) – Agreed by Council on 20 <sup>th</sup> October 2011	250,000
HRA Debt Limit (B)	230,839
2011/12 Borrowing (for HRA Self-Financing, C)	213,572
General Fund Headroom (A minus B)	19,161
HRA Headroom (B minus C)	17,267
2012/13 Borrowing	NIL
2013/14 Borrowing	NIL
2014/15 Borrowing	NIL
2015/16 Borrowing	NIL
2016/17 Borrowing	NIL
2017/18 Borrowing up to 31 <sup>st</sup> August 2017	NIL
<b>Total Current Headroom (A minus C)</b>	<b>36,428</b>

- 5.4 During this financial year the Council has operated within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The anticipated Prudential & Treasury indicators are shown in Appendix A.

## **6. Borrowing**

- 6.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1<sup>st</sup> April 2004.
- 6.2 At present the only debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA taken out in 2012 totalling £213,572,000.
- 6.3 The Council's current capital plan does not require any new external borrowing for the period 2017/18 to 2020/21, inclusive. However, this will be kept under review as part of the development of the capital plan.
- 6.4 The provision for the repayment of debt is known as the Minimum Revenue Provision (MRP). Regulations require the authority to determine annually a policy by which MRP will be determined. This policy was agreed by Council in February 2017.
- 6.5 The Medium Term Financial Strategy now includes proposals for capital expenditure of up to £14.0 million in 2017/18 & up to £6.0 million in 2018/19, to be funded from internal borrowing.
- 6.6 In the event that external borrowing is undertaken the Council is able, as an eligible local authority, to access funds at the PWLB Certainty Rate (a 0.20% discount on loans) until 31 October 2018, at least (with the date agreed annually).

## **7. Investment Portfolio**

- 7.1 The Council takes a cautious approach within its Treasury Management Strategy, and the detailed counterparty list with limits is shown within Appendix B. These limits have not been breached to date in 2017/18.
- 7.2 No changes to the counterparty list or limits are proposed as part of this half-year review.
- 7.3 The average rate of return for all deposits to 31<sup>st</sup> August 2017 is 1.11%, compared to an actual of 1.09% for 2016/17. The current quoted return on the CCLA Local Authorities Property Fund is an annual return of 4.46%. The Council has achieved its interest receipts budget of £581,600 to the end of August 2017. There is uncertainty of rates and levels of receipts for the second half of this year.

7.4 The table below shows the Council's predicted cash balances apportioned between short term (up to 3 months), medium term (up to 1 year) and long term (core cash, up to 5 years) deposits.

<b>SUMMARY DEPOSIT ANALYSIS</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Short Term	43,900	43,700	45,100	50,500
Medium Term	25,100	25,000	25,800	28,900
Long Term	35,600	35,400	36,500	40,900
<b>TOTAL PREDICTED CASH DEPOSITS:-</b>	<b>104,600</b>	<b>104,100</b>	<b>107,400</b>	<b>120,300</b>

**\*Based on current estimated net cash inflow trends**

7.5 The Council's balances show a broadly upward trend.

7.6 An analysis of the sources of the Council's deposits is prepared from the audited balance sheet at the end of each financial year. The analysis for 31 March 2017 is shown at Appendix C.

## **8. Brexit Update**

8.1 The referendum result has generated some uncertainty in the investment markets. Realistically, given the number of complexities of the situation, these uncertainties will take some time to clear.

8.2 Rates have dropped following Brexit. Article 50 has now been triggered and it is still not clear exactly what will happen. There are then two years to complete negotiations for leaving the EU, so the uncertainty is expected to continue in the medium term.

## **9. Financial Market Reforms Update**

### **9.1 Basel III**

9.2 Flowing from the banking crisis in 2008, this banking reform introduces new capital and liquidity standards to strengthen the regulation, supervision, stress testing and risk management of the whole of the banking and finance sector. It is a voluntary reform with a phased programme of implementation up to 2019.

9.3 The global capital framework and new capital buffers require financial institutions to hold more capital and higher quality of capital. The new leverage ratio introduces a non-risk based measure to supplement the risk based minimum capital requirements. The new liquidity ratios

ensure that adequate funding is maintained in case there are other severe banking crises.

#### **9.4 Markets in Financial Instruments Directive II (MIFID II)**

9.5 MiFID II and the accompanying Regulation on Markets in Financial Instruments and Amending Regulation (MiFIR) are both pieces of legislation that seek to provide a European-wide legislative framework for regulating the operation of financial markets in the European Union. These revised Regulations have an implementation date of 3<sup>rd</sup> January 2018. An increase in paper work will be inevitable but the onus will be on the counterparty to ascertain all of the criteria and to collect the required evidence.

9.6 Members have given the authority to invest in financial instruments in line with our current counterparty list as shown at Appendix B. However, these new regulations may restrict the use of some of the more regulated financial products that the Council currently uses. The Council will need to register with the various Financial Institutions, in order to carry on with these investments. Members will be updated when our registrations are complete.

#### **9.7 Money Market Fund (MMF) Reforms**

9.8 The Money Market Fund Regulation comes into force on 21<sup>st</sup> July 2018 which impacts immediately on any new funds created. Existing funds will have to be compliant by no later than 21<sup>st</sup> January 2019.

9.9 The above Regulation provides investors with a new way of categorising a MMF depending on the level of risk, which could cause fluctuations in their capital values.

9.10 No changes are required to the Council's current Treasury Strategy for 2017/18 but some changes will be required to the Council's Treasury Strategy for 2018/19, due to these reforms. Members will be updated when further developments are known and in time from when the Council sets its next Treasury Strategy (during February 2018).

### **10. Interest Rates**

10.1 Capita Asset Services is the Council's independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of interest rates on treasury management issues for the Council. Capita's opinion on interest rates is presented at Appendix D.

## 11. Implications

(a) **Financial Implications**

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

(b) **Staffing Implications**

None.

(c) **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.

## 12. Background Papers

12.1 None were used in preparing this report.

## 13. Appendices

13.1 Appendix A – Prudential and Treasury Management Indicators

Appendix B – The Council's current Counterparty list

Appendix C – Sources of the Council's Deposits

Appendix D – Capita's opinion on UK Forecast Interest Rates

Appendix E – Glossary of Terms and Abbreviations

## 14. Inspection of Papers

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

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



## PRUDENTIAL &amp; TREASURY MANAGEMENT INDICATORS

	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000
<b>PRUDENTIAL INDICATORS</b>				
<b>Capital expenditure</b>				
- General Fund	39,415	3,351	2,778	3,372
- HRA	24,302	48,414	34,385	35,853
<b>Total</b>	<b>63,717</b>	<b>51,765</b>	<b>37,163</b>	<b>39,225</b>
<b>Incremental impact of capital decisions on:</b>				
Band D Council Tax (City element) – Shown in £'s	£0.72	£0.06	£0.05	£0.06
Average weekly housing rent – Shown in £'s	£-3.11	£3.25	£0.45	£0.66
<b>Capital Financing Requirement (CFR) as at 31 March</b>				
- General Fund	24,697	30,697	30,697	30,697
- HRA	214,321	214,321	214,321	214,321
<b>Total</b>	<b>239,018</b>	<b>245,018</b>	<b>245,018</b>	<b>245,018</b>
<b>Change in the CFR</b>	14,000	6,000	0	0
<b>Deposits at 31 March</b>	104,632	104,079	107,415	120,310
<b>External Gross Debt</b>	213,572	213,572	213,572	213,572
<b>Ratio of financing costs to net revenue stream</b>				
-General Fund	-744	-735	-716	-866
-HRA	6,301	6,139	6,121	5,947
<b>Total</b>	<b>5,557</b>	<b>5,404</b>	<b>5,405</b>	<b>5,081</b>
<b>% of net revenue expenditure</b>				
-General Fund	-3.38%	-3.79%	-4.06%	-4.69%
-HRA	15.35%	15.01%	15.09%	14.17%
<b>Total (%)</b>	<b>11.97%</b>	<b>11.22%</b>	<b>11.03%</b>	<b>9.48%</b>

## PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000
<b>TREASURY INDICATORS</b>				
<b>Authorised limit</b>				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
<b>Total</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
HRA Debt Limit				
<b>Operational boundary</b>				
for borrowing	239,018	245,018	245,018	245,018
for other long term liabilities	0	0	0	0
<b>Total</b>	<b>239,018</b>	<b>245,018</b>	<b>245,018</b>	<b>245,018</b>
<b>Upper limit for total principal sums deposited for over 364 days &amp; up to 5 years</b>	50,000	50,000	50,000	50,000
<b>Upper limit for fixed &amp; variable interest rate exposure</b>				
Net interest on fixed rate borrowing/deposits	6,748	6,757	6,776	6,626
Net interest on variable rate borrowing/deposits	-18	-15	-15	-15
<b>Maturity structure of new fixed rate borrowing</b>		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

## Treasury Management Annual Investment Strategy

### Current Counterparty List

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

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

Name	Council's Current Deposit Period	Category	Limit (£)
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
<b>Other Specified Investments - UK Building Societies:-</b>			
Name	Council's Current Deposit Period	Asset Value (£'m) – as at 10 <sup>th</sup> August 2017	Limit (£)
Nationwide Building Society	1 month or in line with Capita's Credit Criteria, if longer	220,013	Assets greater than £100,000m - £20m
Yorkshire Building Society		45,162	
Coventry Building Society		37,632	Assets between £50,000m and £99,999m - £5m
Skipton Building Society		17,827	
Leeds Building Society		16,485	
Principality Building Society		8,124	Assets between £5,000m and £49,999m - £2m
West Bromwich Building Society		5,839	
<b>Non-Specified Investments:-</b>			
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
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)

<b>Name</b>	<b>Council's Current Deposit Period</b>	<b>Category</b>	<b>Limit (£)</b>
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
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)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	20m (in total)
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.

### Sources of the Council's Deposits

Local authorities are free to deposit surplus funds not immediately required in order to meet the costs of providing its services. The Council deposits amounts set aside in its general reserves and earmarked reserves.

The interest earned on these deposits is credited to the General Fund and Housing Revenue Account respectively and helps to fund the cost of providing services. This currently amounts to around £1.4m each year based on current deposit and interest rate levels.

At 1<sup>st</sup> April 2017, the Council had deposits of £110.708m. The table below provides a sources breakdown of the funds deposited at that date:-

<b>Funds Deposited as at 1 April 2017</b>	<b>£'000</b>	<b>£'000</b>
Working Capital		26,279
General Fund:		
General Reserve	15,413	
Asset Renewal Reserves	3,615	
Other Earmarked Reserves	20,355	39,383
Housing Revenue Account (HRA):-		
General Reserve	10,178	
Asset Renewal Reserves	2,252	
Major Repairs Reserve	5,549	
Other Earmarked Reserves	1,991	
Capital Financing Requirement (Including HRA Reform)	-225,017	
PWLB Borrowing for HRA Reform	213,572	8,525
Capital:		
Capital Contributions Unapplied	4,229	
Usable Capital Receipts	32,292	36,521
<b>Total Deposited</b>		<b>110,708</b>

The HRA accounts for around 43% of reserves deposited.

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

### Introduction

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

### Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) reduced the bank rate to 0.25% (previously 0.50%) and increased Quantitative Easing (QE) by £60bn to £435bn, on 4<sup>th</sup> August 2016. Going forward, the Council's treasury advisor, Capita, has provided the following interest rate forecasts, issued on 9<sup>th</sup> August 2017:-

	Now	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
<b>Bank rate</b>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
<b>3 month LIBID</b>	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%
<b>6 month LIBID</b>	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%
<b>12 month LIBID</b>	0.60%	0.60%	0.70%	0.70%	0.80%	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%
<b>5yr PWLB rate</b>	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
<b>10yr PWLB rate</b>	1.90%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
<b>25yr PWLB rate</b>	2.60%	2.80%	2.30%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
<b>50yr PWLB rate</b>	2.40%	2.60%	2.10%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

This is the first bank rate change since 2009. The actual vote on 4<sup>th</sup> August 2016 was unanimous at 9-0 in favour. The actual vote on 14<sup>th</sup> September 2017 was 7-2 for no change.

**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
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
London Interbank Offered Rate (LIBOR)	A benchmark rate that some of the leading banks charge each other for short-term loans
London Interbank Bid Rate (LIBID)	The average interest rate which major London banks borrow Eurocurrency deposits from other banks
Liquidity	A measure of how readily available a deposit is
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods beyond 1 year



<b>Term</b>	<b>Definition</b>
Operational Boundary	Limit which external borrowing is not normally expected to exceed
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
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
Security	A measure of the creditworthiness of a counter-party
Specified Investments	Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multi-lateral Development Bank Bond
UK Government Gilts	Longer-term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury
Yield	Interest, or rate of return, on an investment

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## Item

### Medium-Term Financial Strategy (MTFS) October 2017

**To:**

Councillor Richard Robertson, Executive Councillor for Finance & Resources

**Report by:**

Caroline Ryba, Head of Finance

Tel: 01223 - 458134 Email: caroline.ryba@cambridge.gov.uk

**Wards affected:**

All

## Key Decision

### 1. Executive Summary

- 1.1 This report presents and recommends the budget strategy for the 2018/19 budget cycle and specific implications, as outlined in the Medium-Term Financial Strategy (MTFS) October 2017 document, which is attached and to be agreed.
- 1.2 This report also recommends the approval of new capital items and funding proposals for the Council's Capital Plan, the results of which are shown in the MTFS.
- 1.3 At this stage in the 2018/19 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2017 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating budgets for 2018/19 to 2022/23. All references in the recommendations to Appendices, pages and sections relate to the MTFS Version 1.

- 1.4 The recommended budget strategy is based on the outcome of the review undertaken together with financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MTFS.

## **2. Recommendations**

The Executive Councillor is asked to recommend to Council:

### **General Fund Revenue**

- 2.1 To agree the budget strategy and timetable as outlined in Section 1 [pages 1 to 2 refer] of the MTFS document.
- 2.2 To agree incorporation of the budget savings and pressures identified in Section 4 [pages 13 to 16 refer] including an additional £100k contribution to Sharing Prosperity Fund. This provides an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in Section 5 [page 17 refers] of the MTFS document.

### **Capital**

- 2.3 To note the changes to the Capital Plan as set out in Section 6 [pages 18 to 23 refer] and Appendix A [pages 32 to 40 refer] of the MTFS document and agree the new proposals:

Ref.	Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
	<b>Proposals</b>							-
SC648	Local Centres Improvements Programme - Arbury Court	59	141	-	-	-	-	200
SC653	Replacement heating system at the <a href="#">Waterbeach garage</a>	39	-	-	-	-	-	39
SC652	Modification to in-ground lift in <a href="#">Waterbeach</a> <sup>1</sup>	18	-	-	-	-	-	18
SC645	Electric vehicle charge points – use of additional funding received	205	145	151	25	-	-	526
	<b>Sub-total</b>	<b>321</b>	<b>286</b>	<b>151</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>783</b>
<a href="#">Misc.</a>	Section 106 miscellaneous	833	14	-	-	-	-	847
	<b>Total Proposals</b>	<b>1,154</b>	<b>300</b>	<b>151</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>1,630</b>

<sup>1</sup> - £8k requested for funding, £10k funded from service revenue resources.

## Reserves

- 2.4 To agree changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £5.35m and the target level at £6.42m as detailed in Section 7 [pages 24 to 27 refer] and Appendix B [pages 41 to 42 refer].

## 3. Background

### Medium-Term Financial Strategy

- 3.1 The purpose of this report is to outline the overall financial position of the Council and to consider the prospects for the 2018/19 budget process within the context of projections over the medium-term. The detailed analysis undertaken to fulfil this is presented in the MTFS October 2017 document appended to this report.
- 3.2 The document considers the General Fund revenue position and the Council's overall Capital Plan.
- 3.3 Revenue forecasts are presented for the 5-year projection period through to the year 2022/23, demonstrating the sustainability of the Council's financial planning with reference to the level of reserves held throughout this period.

- 3.4 The report considers the effects of external factors affecting budget preparation, including the overall economic climate, and external funding levels which can reasonably be expected; as well as the existing commitments of the Council.
- 3.5 Recommendations for approval of specific revenue and capital costs, as identified, are included.
- 3.6 The analysis undertaken leads to a recommended integrated financial strategy for the 2018/19 detailed budget-setting process.

## **4. Implications**

- 4.1 These are incorporated in the document and will be taken account of in the subsequent budget reports to all Executive Councillors / Scrutiny Committees.

## **5. Consultation and communication considerations**

Budget Consultation is outlined in the MTFS document [pages 1 to 2 refer].

## **6. Background papers**

Background papers used in the preparation of this report:

MTFS Working Papers on the 2017/18 and 2018/19 files

## **7. Appendices**

MTFS October 2017: 2017/18 to 2022/23 Document

## **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact John Harvey, Senior Accountant, tel: 01223 - 458143, email: [john.harvey@cambridge.gov.uk](mailto:john.harvey@cambridge.gov.uk).

Version 1  
Strategy &  
Resources

# General Fund Medium-Term Financial Strategy

October  
2017

2017/18 to 2022/23

Cambridge City Council



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

The annual Medium Term Financial Strategy sets out to predict the finances of Cambridge City Council for the next five years. Assumptions and forecasts are thoroughly reviewed and applied to the years ahead so that we can create and share a good guide to the Council's future finances. This provides a context within which we can then take appropriate decisions to manage our finances to provide high quality services, make the most of our assets for residents, and support our city priorities including tackling inequality and delivering additional affordable housing.

## **Financial uncertainty**

In planning our finances for the next five years, we continue to be hindered by uncertainty over large parts of our income controlled by the Government. We do know that Revenue Support grant will end entirely for the Council in April 2019 and New Homes Bonus income has also been cut, and could be liable to further reduction by the Government, which would be unfair given the extra costs created by growth. We use New Homes Bonus mainly to provide much needed additional resources for planning that growth, sustainably, creating successful new communities, homelessness prevention, and carrying out capital projects that increase the benefit and value of our properties.

The Government has consulted on allowing councils as a whole to retain 100% of business rates rather than paying 50% over to the Treasury, as we do at present. Decisions are awaited on that, including on the potential role of the new Cambridgeshire and Peterborough Combined Authority. It is quite possible that the government would want local authorities to take on significant additional responsibilities in return for great devolution of business rates. We would not support such a change if those obligations are more expensive to provide than the additional income would pay for.

## **Our Response**

With the year on year reductions in Government grants, and pressures to provide quality services to more people and businesses, it has been essential to develop strategy so that it is possible to set balanced budgets each year. We have had no choice but to develop ways of operating and running our finances which make us less reliant on Government funding, while still providing, and where possible enhancing, the hundreds of services we provide across the city.

Much of our focus involves reviewing and transforming the services we provide and how we deliver them. This includes a new priority of developing our digital strategy given the benefits from better use of technology and online access to our residents. It has also involved working in close collaboration with neighbouring councils and other partners to share services, with our partnership with South Cambridgeshire being at the heart. A further strategy has been continued releasing of funds found since 2014 to be unnecessarily locked away in reserves, and instead put them to use to produce income to make the city's real estate deliver more. We also have a major capital programme underway until 2020 and beyond.

The City Council has a very long history of investing in its own property and in new property and working those assets hard to provide income to support the cost of providing services. To develop further that income stream, since 2014 we have invested £25,000,000 in commercial property, producing an overall return of 6.5%. After technical adjustments £1,275,000 in new income has been contributed each year to the budget. A further £15,000,000 has been invested in a local authority property investment fund and this is currently producing a further £670,000 (4.46%). If that money had continued to be left earning bank interest, as happened previously, the income would have been well under 1% per year.

The Cambridge Investment Partnership has been established with our chosen partners Hill Investment Partnership to help us deliver major capital projects. This will include the 500 additional council homes in Cambridge we persuaded Government to fund over the next five years as part of the devolution agreement. This will provide additional council houses and flats to be managed by City Homes. This partnership will also enable the council to invest in providing housing at market and sub-market rents, thus providing a wider range of much needed new homes for rent in the city and further income to the Council to benefit residents into the future.

## **Austerity and Hardship**

The country has now suffered for over seven years from the imposition of the austerity policy of successive governments. Public services for many in Cambridge have been cut, while at the same time letting market forces dictate rising costs. Failing to regulate markets, such as in energy and private rented housing, has brought great hardship to many, including by forcing public sector workers to accept far lower wages, especially when coupled with cuts in welfare benefits.

National evidence suggests this has hit lower income households far more than those on higher incomes, and the gap in wealth between rich and poor has widened significantly. A recent Centre for Cities report identified Cambridge as having the greatest inequality of any city in the UK in 2017, based on their chosen data indices on wages, pensions and other income. Parts of our city include people of great wealth while nearby there are pockets of people in poverty and severe deprivation, which continue to be a core council delivery target. The poorest in our city need direct assistance and support via community organisations we grant-fund and our extra housing investment. Everyone in Cambridge deserves the opportunity to share in the city's growing prosperity.

Central government limits the powers of local district councils to alleviate the resultant hardship, and a whole range of challenges requires a change in national policy, which is currently blind to the challenges of people on low incomes in high housing costs areas like Cambridge. As a district council we have limited powers to alleviate the resultant hardship and we need changes of national policy across a range of public services to address the challenges of people on low incomes in high housing costs areas like Cambridge. We have reviewed and reformed the way the council works so that we can maintain and even develop services and housing provision rather than cut them, by focusing our efficiencies on how we deliver, not what we deliver. And we have specifically chosen to allocate resources to support our Anti-Poverty Strategy, and to target our annual £900,000 in community grants to those helping people in greatest need.

Soon after the Labour administration was elected to take over running the city in 2014, the Anti-Poverty Strategy was launched to improve the standard of living and daily lives of Cambridge residents experiencing poverty. As well as applying its objectives across the delivery of key frontline council services, the Strategy is resourced with its own fund (the Sharing Prosperity Fund) which has so far invested over £1,300,000 extra in new, additional projects which have already helped a significant number of our low income residents, and made a real difference to their lives.

## **Conclusion**

This Medium Term Financial Strategy continues the vital work of the Anti-Poverty Strategy, while maintaining and developing the wide range of services we provide. It also embraces the core financial objectives of this Council: sound and prudent financial management, the minimisation of the need for cuts to services, investment in more affordable housing, and a fairer and more equal city, a city we are so proud to serve.

**Cllr Lewis Herbert - Leader of the Council**

**Cllr Richard Robertson – Executive Councillor for Finance and Resources**

# Section 1

## Introduction

### Background

The Medium-Term Financial Strategy (MTFS) for the General Fund (GF) is part of the forecasting and budget setting process which leads to the Budget Setting Report (BSR) being presented to Council in February each year when the Council Tax level for the following financial year is set.

The MTFS sets out the council's financial strategy over the medium-term based on a range of assumptions and forecasts. This document takes the council's existing financial strategy and, if necessary, amends the key assumptions on which it is based. The previous year's 'direction of travel', as set out in the BSR, is revised in the light of factors such as national and local policy changes, current and forecast economic indicators and new legislation.

The GF MTFS incorporates a review of the current year's budget position and updated projections for the 5 years from 2018/19 to 2022/23. These demonstrate the effects of any changes in assumptions made and their impact in terms of savings requirements. A key part of the MTFS process is the identification of:

- Items which require immediate action or approval
- Items which provide context for decisions on the strategy or budget process:
  - The level of spending reductions required, if any
  - Resources to be made available for funding the capital plan
  - The level of GF general reserves

### Budget consultation

Cambridge City Council last carried out a residents' survey in 2016 including questions on priorities for the council's budget in 2017/18, alongside questions on:

- satisfaction with the council and the services it provides;
- how the council should communicate with residents and businesses; and
- how residents and businesses would prefer to engage with the council.

A similar exercise is planned for September 2017 which will inform the 2018/19 budget process and service priorities.

Some of the satisfaction 2016 questions were drawn from a standard set of questions developed by the Local Government Association to allow benchmarking against other local authorities, while other questions were similar to previous residents surveys carried out by the council, to allow comparison with results from previous years.

Findings from focus groups have been explored in more depth through two supplementary workshops. The first workshop focused on residents on low incomes, who tend to be under-represented within City Council consultations, and explored whether their views are similar or different to those expressed by respondents to the postal survey. The second workshop focused on local businesses, and explored which services they think should be prioritised in the council's budget for 2017/18, and whether their preferences for communication and engagement methods are similar to those expressed in the postal survey.

The findings from the consultation will inform the decisions that councillors make about the about the council's budget for 2018/19, as well as the Council's approach to communications and its developing digital strategy.

## Timetable

Key dates and decision points are set out below:

Date	Task
<b>2017</b>	
9 October	Strategy & Resources Scrutiny Committee consider the GF MTFS for recommendation to Council by the Leader
19 October	Council considers both GF and HRA MTFS reports
<b>2018</b>	
4 January	Budget Setting Report (BSR) published
22 January	BSR considered by Strategy & Resources Scrutiny Committee
25 January	The Executive consider and recommend the BSR and Council Tax level to Council
12 February	Special Strategy & Resources Scrutiny Committee to consider any budget amendment proposals
22 February	Council approves Budget Setting Report and sets the level of Council Tax for 2018/19

# Section 2

## Policy context, priorities and external factors

### Local policy context and priorities

#### Corporate Plan

The council's Corporate Plan was approved in February 2017 at the same time as the Budget for 2017/18. It sets out the aims and objectives of the council and how these will be achieved.

The Leader's Foreword to this MTFS supplements the Corporate Plan by setting a direction of travel for the council which responds to the future financial outlook.

#### Partnership working

The council works in partnership with a range of other bodies to bring additional benefits to the people who live, work and study in our area, especially through pooling of resources and skills to achieve a common aim.

#### The Greater Cambridge Partnership

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

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

- Accelerate the delivery of 33,500 planned homes
- Enable delivery of 1,000 extra affordable new homes on rural exception sites
- Deliver over 420 new Apprenticeships for young people

- Provide £1bn of local and national public sector investment, enabling an estimated
- £4bn of private sector investment in the Greater Cambridge area
- Create 44,000 new jobs
- Provide a governance arrangement for joint decision making between local councils

The Partnership is currently developing proposals for transport improvements to enable people, goods and ideas to move more quickly, reliably and sustainably between centres of research, innovation and enterprise, and between places of residence, work and study.

One aspect of this is likely to be proposals to tackle congestion, and this may require ways of managing the number of vehicles on the most congested routes at the most congested times of the day. Whatever proposals are ultimately implemented may have impacts on City Council services, including potentially budgetary implications. The service and financial impact of such measures will be factored into the council's financial planning in more detail as the impacts become clearer.

The Partnership is also supporting delivery of affordable housing and a skills system that equips more young, local people with the skills they need to engage in the knowledge-based industries that comprise the Cambridge Cluster.

The Partnership is also bringing together public, private and academic experts to develop and exploit "smart city" technologies to help identify and address the challenges that Greater Cambridge faces.

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

## **Cambridgeshire and Peterborough Combined Authority**

In November 2016, eight organisations<sup>1</sup> in Cambridgeshire, including Cambridge City Council, agreed a devolution deal with the government to form the Cambridgeshire and Peterborough Combined Authority (CA). The deal gives delegated powers to the

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<sup>1</sup> Cambridge City Council; Cambridgeshire County Council; East Cambridgeshire District Council; Fenland District Council; Huntingdonshire District Council; Peterborough City Council; South Cambridgeshire District Council; Greater Cambridge Greater Peterborough Local Enterprise Partnership



Combined Authority and a new elected Mayor and brings funding to the region. Following elections on 5 May 2017, James Palmer was elected as Mayor for the Combined Authority. Councillor Lewis Herbert represents the council on the CA.

The CA will receive funding and powers from Central Government in a number of areas including:

- £100 million to deliver new homes over a five-year period in Peterborough and Cambridgeshire which includes affordable, rented and shared ownership housing, plus £70m for Cambridge City Council to deliver at least 500 new council homes.
- £20 million a year funding over 30 years to support infrastructure and boost economic growth in the region

The key ambitions for the CA include:

- doubling the size of the local economy
- accelerating house building rates
- improving transport and digital infrastructure.

It has been agreed that the Combined Authority costs will be funded from the gain share grant and therefore there will be no charge to the City Council for this. The Mayor has the power to raise a precept (i.e. a separate additional element of council tax to fund the running costs of the Mayoral office). The earliest this could take effect is from 2018/19.

The Combined authority (but not the Mayor) can levy constituent councils to make a contribution towards its functions but this would need to be unanimously agreed by those authorities through the budget making process for the CA. Each Council could also decide voluntarily to make a financial contribution to the CA.

The city's economy should benefit from the additional investment and improved infrastructure in the local area that the CA brings. The delivery of the £70m council building programme will bring an income stream to the Housing Revenue account as those houses come on stream.

## **Shared services**

The council shares some services with neighbouring councils and is working to develop other shared services. Benefits include improvements in service delivery, efficiencies and greater resilience. The following services are delivered in two or three way partnerships:

Building Control (3)

Legal (3)

ICT (3)

Housing Development Agency (2)

Home Improvement Agency (2)

CCTV (2)

Internal Audit (2)

Waste & Recycling (2)

Payroll (2)

# External factors

## **Brexit negotiations and the General Election**

Following the referendum on 2016, the government have entered into formal negotiations with the EU to agree our exit terms. The current impact is a rise on inflation caused initially by the weakness of sterling however there are signs that this is now improving.

The June 2017 general election has seen the election of a Conservative led minority government supported when necessary by the Democratic Unionist Party. The true impact on council funding is unlikely to be seen until the Chancellor's Budget in the autumn – the first to follow the new budget timetable. From winter 2017, Finance Bills will be introduced following the Budget. The aim will be to reach Royal Assent in the spring, before the start of the following tax year. This change in timetable will help Parliament to scrutinise tax changes before the tax year where most take effect.

Although economic commentators had previously agreed that the UK would see lower growth there is a now record level of employment. The prospects for UK growth remain sound in the medium term although until Brexit negotiations have progressed further, it is difficult to make longer term predictions. There is the possibility that uncertainty triggered by the forthcoming Brexit will cause changes in the structure and operation of the European Union in future years which may further impact the economic prospects and the UK and Europe.

## **Inflation rates**

The base rate of inflation used to drive expenditure assumptions in the GF financial forecasts is the Consumer Price Index (CPI). Previously the base level of inflation included within forecasts was 2% reflecting the Government target for CPI. However, the Bank of England's August 2017 forecast, which reflects the inflationary impact of the decline in the sterling exchange rate, shows higher expected levels of CPI inflation of around 2.6% for 2018/19 reducing thereafter to just above the target rate of 2%. We have therefore revised our assumptions to align with the Bank of England's forecasts, see Section 3. Rates used will be reviewed again for the BSR in February 2018.

## **Interest rates on deposits**

The council lends its cash balances externally on a short-term basis, with a view to generating a return that can be spent on delivering council services whilst managing both security and liquidity of the cash. Members of the Bank of England Monetary Policy Committee (MPC) unanimously reduced the bank rate to 0.25% (previously 0.50%) on 4th August 2016, the first bank rate change since 2009. At its meeting on 2 August 2017, the Committee voted by a majority of 6-2 to maintain Bank Rate at 0.25%.

Rates available to investors continue to be exceptionally low. However, through the use of a variety of investments as permitted by our investment strategy, we are maintaining our rates of return marginally above 1%. As a result, our assumption relating to the rates at which we can lend out our cash balances have been maintained, as noted in Section 3.

## **Interest rates on external borrowing**

The Council has no GF borrowing or existing plans to borrow.

# National policy context

## **Government spending announcements**

The Chancellor has maintained the government's pledge to eliminate the budget deficit by 2025. Alongside tax revenues, which are largely determined by the pace of economic growth, this pledge will have considerable impact on the medium term outlook for local government funding. The Chancellor's next budget statement, due late in the autumn, is expected to set out how the government wants to shape its fiscal policy and may give some indication of the future trajectory of funding for local government.

The Financial Times recently reported that funding to local government has fallen by 77% since 2010. Various commentators have noted that cuts in funding for local government now appear to be having unacceptable effects on some public services. Going forward, there are some indications that this might change, possibly by increasing the share of public spending allocated to the local government sector.

## Local government finance

### 2018/19 and future years

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

The final local government finance settlement announced in February 2017 provides firm funding figures for 2017/18 and indicative figures for the following two years. However, only certain elements are subject to the funding guarantee. These elements are Revenue Support Grant (RSG), Transitional Grant and Rural Services Delivery Grant. Only RSG is relevant for the City Council and the settlement effectively phases this grant out over the 4-year timeframe. In addition, business rates tariffs and top-ups in 2018/19 and 2019/20 will not be altered for reasons related to the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention.

Uncertainty remains for 2018/19 and beyond, principally due to delays in the development of the 100% business rates retention scheme arising from the 2017 general election. This work includes identifying further responsibilities to devolve to councils to match higher levels of business rates retention and a review of needs and distribution.

This MTFs therefore assumes that the level of Settlement Funding Assessment (SFA) will be as indicated in the 2017/18 settlement, included in the February 2017 BSR and as shown below. There is considerable uncertainty relating to SFA for 2020/21, 2021/22 and 2022/23, as this is beyond the current parliamentary term and after the implementation of 100% business rates retention. The overall SFA has therefore been assumed to remain at 2019/20 levels.

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Revenue Support Grant (RSG)	1,104	571	-	-	-
Business rates baseline	3,986	4,104	4,259	4,387	4,518
Business rate tariff adjustment / negative RSG	-	-	(24)	(152)	(283)
<b>Total SFA - per 2017/18 finance settlement</b>	<b>5,090</b>	<b>4,675</b>	<b>4,235</b>	<b>4,235</b>	<b>4,235</b>

## New Homes Bonus

The New Homes Bonus (NHB) was launched in 2010 as a non-ringfenced payment to all local authorities based on the number of new homes added each year within its area. The eligible amount was then paid for each of a period of 6 years. A cut of approximately two-thirds of the funding available for NHB was announced in the 2015 Spending Review, followed by a technical consultation on the future of the scheme.

The outcome of the technical consultation was published alongside the provisional settlement in December 2016. This confirmed the expected direction of travel, 'sharpening the incentive' for councils to deliver new housing. Specifically:-

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

The government has included ways of implementing reductions in NHB for houses built following planning appeals in its technical consultation of the local government finance settlement. At present no reductions have been included in the council's forecasts.

The table below includes estimates of future NHB payments based on expected housing completions and the years of payment and deadweight indicated in the government's consultation response. Any changes in these factors could materially impact these estimates. NHB is currently used to fund both revenue and capital spending related principally to growth and place. Along with partners, the Council has committed 40% of NHB funding each year to a City Deal Investment and Delivery Fund, with remaining amounts reserved for schemes to mitigate the impacts of the A14 upgrade. However, the council's revenue expenditure and A14 mitigation take priority over the contribution to the City Deal Investment and Delivery Fund. If NHB reduces, it is the contribution to this Fund that would be impacted first. Greater reductions may require savings in revenue or capital

spending, with the spending listed above being considered against other spending priorities.

NHB receipt estimates, based on projections of future housing completions and empty homes brought back into use, are shown below, along with current commitments.

Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
<b>Confirmed NHB funding at February 2016 BSR</b>	<b>(4,801)</b>	<b>(2,947)</b>	<b>(1,360)</b>	-	-
<b>Add</b>					
Confirmed NHB receipts for 2017/18	(1,161)	(1,161)	(1,161)	(1,161)	-
Estimated NHB receipts for 2018/19	-	(1,302)	(1,302)	(1,302)	(1,302)
Estimated NHB receipts for 2019/20	-	-	(1,274)	(1,274)	(1,274)
Estimated NHB receipts for 2020/21	-	-	-	(610)	(610)
Estimated NHB receipts for 2021/22	-	-	-	-	(952)
<b>Potential New Homes Bonus Total</b>	<b>(5,962)</b>	<b>(5,410)</b>	<b>(5,098)</b>	<b>(4,348)</b>	<b>(4,139)</b>
<b>Commitments against NHB</b>					
Funding for officers supporting growth e.g. within planning	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564
Public Realm Officer - Growth X3782	35	35	-	-	-
Direct revenue funding of capital	1,075	1,075	1,075	1,075	1,075
Contribution to A14 mitigation	-	-	1,500	-	-
Further approvals	400	-	-	-	-
A14 mitigation contribution funded from reserved amounts	-	-	(1,505)	-	-
Contribution to City Deal Investment and Delivery Fund	2,385	2,164	2,039	1,739	1,656
<b>Total commitments against NHB</b>	<b>5,244</b>	<b>4,623</b>	<b>4,458</b>	<b>4,163</b>	<b>4,080</b>
<b>NHB reserved for A14 mitigation</b>	<b>718</b>	<b>787</b>	-	-	-
<b>Cumulative amounts reserved for A14 mitigation</b>	<b>(718)</b>	<b>(1,505)</b>	-	-	-
<b>NHB uncommitted</b>	<b>0</b>	<b>0</b>	<b>639</b>	<b>185</b>	<b>59</b>

# Section 3

## Review of key assumptions

Budget forecasts presented in the February 2017 Budget Setting Report were based on a number of key assumptions, for example levels of general and pay inflation, interest rates, future funding requirements and Council Tax levels.

These key assumptions have been reviewed taking account of changes in external factors, government announcements, latest forecasts and circumstances. The table below sets out where assumptions have been retained and where changes have been made (**shown in bold**) for the purposes of forecasts presented in this document.

Forecast assumptions for future government grant funding and the prudent minimum balance and target level of the GF Reserve are included in more detail in sections 2 and 7 of this report respectively.

Key area	Assumption	Comment / Sensitivity
Pay Inflation	Pay progression cost estimate plus: <b>2018/19 - 2.0%</b> <b>2019/20 - 2.0%</b> and 2.0% thereafter (no change)	Reflects the potential change from the current Government guidance of 1% cap previously built in for 2018/19 and 2019/20.
Employee turnover	3%	In general, employee budgets assume an employee turnover saving of 3.0% of gross pay budget. Specific vacancy factors are applied where experience indicates that a different vacancy factor is more applicable.
General inflation (CPI)	<b>2018/19 - 2.6%</b> <b>2019/20 - 2.2%</b> <b>2020/21 - 2.3%</b> <b>thereafter 2.0%</b> (previously 2.4% all years)	Updated central provisions have been made as appropriate for fuel, electricity and gas based on current knowledge of these markets or revised contractual commitments.  The same inflation factors are applied to Central and Support Services as for direct services.

<b>Key area</b>	<b>Assumption</b>	<b>Comment / Sensitivity</b>
Major contracts	Inflation per contract	Major contracts and agreements, in term, are rolled forward based on the specified indices in the contract or agreement
Income and charges increases	2.0%	Income and charges – general assumption of 2.0% ongoing, but specific reviews of all charges required by committees. Property rental income based on detailed projections and rent reviews.
Investment interest rate assumption	1.0%	
Capital funding contributions	£1.8m	Capital funding contributions at base level of £1.8m per annum with feasibility budget of ~£80,000.
Council Tax increase	2018/19 onwards 2.0%	Council Tax for a Band D property in 2018/19 of 2%. Option remains to increase yield to £5 (2.7%) per property yielding ~ £60,000.
Government grant (SFA)	Indicative levels of grant as notified through the final local government finance settlement in early 2017.	



# Section 4

## Review of budgets and savings targets

### 2016/17 outturn

A favourable variance of £1,116k (2015/16: £2,479k) after approved carry forward requests of £914k (2015/16: £485k) was recorded on net service spending in the GF for 2016/17. After variances on government funding, statutory capital accounting adjustments, contributions to/ from earmarked reserves and the application of direct revenue funding for capital have been taken into account, the overall net effect was an increase in the GF reserve of £1,848k (2015/16: £2,893k)

The variance on net service spending was spread widely across the council and various categories of income and expenditure. There was an overachievement of income targets as in previous years, although this year at £585k was less than in previous years. The largest single variance was for staff and agency workers underspent by more than £0.9m (3% of budget). Other variances were generally small, full details are shown in the outturn overview report to Strategy & Resources scrutiny committee.

### 2017/18 budgets

Departmental budgets are regularly monitored to ensure that the service spends only what is necessary to deliver its aims and objectives. Where variances are identified, either positive or negative, appropriate measures are undertaken.

A summary of these impacts and other identified pressures and savings are given in the table below and they have been included in the revised projections for the GF and saving requirements given in Section 5.

Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<b>Changes to base assumptions (see section 3)</b>						
Inflation	-	41	1	(20)	(105)	(105)
Pay award	-	253	522	542	565	565
Incremental progression	-	(102)	(210)	(326)	(451)	(576)
Staff turnover	-	(400)	(400)	(400)	(400)	(400)
<b>Total changes to base assumptions (see memo)</b>	-	<b>(208)</b>	<b>(87)</b>	<b>(204)</b>	<b>(391)</b>	<b>(516)</b>
<b>Proposal:</b>						
Accommodation costs at Waterbeach -2017/18 from reserves (see narrative below)	-	<b>144</b>	<b>144</b>	<b>144</b>	<b>144</b>	<b>144</b>
<b>New proposals and re-phasing:</b>						
Capital expenditure met from GF Reserves (Office Accommodation Mandela House)	450	-	-	-	-	-
Pre-planning development costs for Silver Street toilets	70					
Additional contribution to Sharing Prosperity Fund	100	-	-	-	-	-
Accommodation costs at Waterbeach (see narrative below)	144	-	-	-	-	-
<b>Total new proposal and re- phasing – financed from GF reserves</b>	<b>764</b>	-	-	-	-	-
<b>Use of reserves to attain target levels (see memo):</b>						
Adjustment to savings to attain target level of reserves at the end of 5 years and smooth savings over the final 4 year period	-	174	366	565	693	883
<b>Total use of General Fund reserves</b>	<b>764</b>	<b>174</b>	<b>366</b>	<b>565</b>	<b>693</b>	<b>883</b>
<b>Memo – impact on savings targets:</b>						
Year on year change to base assumptions	-	(208)	121	(117)	(187)	(125)
Year on year change for Waterbeach	-	144	-	-	-	-
Year on year to attain target levels	-	(174)	(192)	(199)	(128)	(190)
<b>Year on year total</b>		<b>(238)</b>	<b>(71)</b>	<b>(316)</b>	<b>(315)</b>	<b>(315)</b>

## New revenue proposals

A revenue budget bid of £70k in 2017/18 is presented to support the further development of a scheme to improve the public conveniences on Silver Street. This will allow design alternatives to be developed, further stakeholder and public consultation to be held and planning permission to be obtained. This is in addition to £30k of feasibility funding already spent on consultation and the development of proposals. This further work is expected to result in a future capital bid of approximately £530k to implement the improvements.

The Sharing Prosperity Fund (SPF) has approximately £52k funding currently uncommitted. £100k will be allocated to the fund to support projects which will help deliver the objectives of the Council's revised Anti-Poverty Strategy. Officers have identified a number of potential projects that would address key areas of need highlighted in the strategy and they will be developing more detailed project proposals for consideration and approval by the Executive Councillor in due course. These potential projects include:

- additional capacity to provide advice and support to residents in poverty on measures to reduce their energy and water bills, continuing and extending existing projects
- engagement work with low income residents living in poor quality accommodation in the private rented sector
- additional work to support residents on low incomes to access the internet and develop their digital skills
- trialling of the new Culture Card for young people from low income households

The additional funding will also provide an opportunity to develop new projects in other areas, such as adult skills or employability for instance, in line with the objectives of the revised Anti-Poverty Strategy.

£144k relates to costs of setting up and running the depot at Waterbeach which were anticipated during the planning of the shared service but not included fully in the budget. The overall savings from the shared service remain unaffected.

Applying these changes to budget assumptions gives an indication of the net savings requirements by year for the next 5 years, assuming that savings are delivered in the year that the requirement is identified. The requirement for net savings is then adjusted using GF reserves to create a consistent profile across the period.

Following these changes, the net savings requirements in the remaining 4 years of the period total around £1.0m.

Description	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<b>BSR 2016 - Current Savings Target (new savings each year)</b>	<b>238</b>	<b>316</b>	<b>561</b>	<b>560</b>	<b>560</b>
Previous year savings not achieved / (over achieved)	0	-	-	-	-
Changes to base assumptions	(208)	121	(117)	(187)	(125)
Net pressures	144	-	-	-	-
<b>Savings still to be found</b>	<b>174</b>	<b>437</b>	<b>444</b>	<b>373</b>	<b>435</b>
Use of reserves to smooth savings through adjustment to base expenditure	(174)	(192)	(199)	(128)	(190)
<b>Savings still to be found</b>	<b>-</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>

The level of net savings requirement identified by this MTFs provides a baseline for detailed budget setting work. Experience has shown that this work will identify spending pressures, many of which are unavoidable. Whilst not unavoidable, additional expenditure may also be proposed to protect or enhance service levels. Any additional spending agreed will increase savings requirements accordingly. In previous years this process has increased savings requirements by up to £1m per year.

# Section 5

## General Fund – Expenditure and funding

The following projection of GF expenditure and funding results from applying the recommendations included in this report:-

Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<b>Expenditure</b>						
Net service budgets	21,402	20,302	18,947	20,721	21,271	21,093
Capital accounting adjustments	(6,155)	(6,155)	(6,155)	(6,155)	(6,155)	(6,155)
Capital expenditure financed from revenue	4,793	1,458	1,786	1,786	1,786	1,786
Contributions to earmarked funds	5,868	3,951	3,679	2,924	2,715	2,715
Revised net savings requirement	0	0	(245)	(245)	(245)	(245)
<b>Net spending requirement</b>	<b>25,908</b>	<b>19,556</b>	<b>18,012</b>	<b>19,031</b>	<b>19,372</b>	<b>19,194</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(5,093)	(4,689)	(4,240)	(4,240)	(4,240)	(4,240)
Locally Retained Business Rates – Growth Element	(800)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	0	0	0	0	0	0
New Homes Bonus (NHB)	(5,962)	(5,410)	(5,098)	(4,348)	(4,139)	(4,139)
Appropriations from earmarked funds	0	0	0	0	0	0
Council Tax	(7,807)	(8,178)	(8,450)	(8,776)	(9,132)	(9,132)
Contributions (from) / to reserves	(6,246)	(479)	576	(867)	(1,061)	(883)
<b>Total funding</b>	<b>(25,908)</b>	<b>(19,556)</b>	<b>(18,012)</b>	<b>(19,031)</b>	<b>(19,372)</b>	<b>(19,194)</b>

\* Net service budgets include savings and pressures identified in Section 4.

# Section 6

## Capital plan

### Approved plan

The capital plan was approved by council in February 2017. Since then the plan has been updated for projects carried forward or rephased from 2016/17 of £30,400k and for further approval of £450k.

Approved since BSR	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
<b>Approved at BSR Feb 2017:</b>							
Programmes	3,573	300	-	-	-	-	3,873
Projects	3,036	61	25	25	-	-	3,147
<b>Sub-total</b>	<b>6,609</b>	<b>361</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>7,020</b>
Provisions	1,145	220	56	487	-	-	1,908
<b>Total</b>	<b>7,754</b>	<b>581</b>	<b>81</b>	<b>512</b>	<b>-</b>	<b>-</b>	<b>8,928</b>

Changes approved and adjustments made in year:							
Programmes	20,316	922	-	-	-	-	21,238
Projects	4,585	-	-	-	-	-	4,585
<b>Sub-total</b>	<b>24,901</b>	<b>922</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,823</b>
Provisions	4,555	42	40	329	61	-	5,027
<b>Total</b>	<b>29,456</b>	<b>964</b>	<b>40</b>	<b>329</b>	<b>61</b>	<b>-</b>	<b>30,850</b>

Current approved plan:							
Programmes	23,889	1,222	-	-	-	-	25,111
Projects	7,621	61	25	25	-	-	7,732
<b>Sub-total</b>	<b>31,510</b>	<b>1,283</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>32,843</b>
Provisions	5,700	262	96	816	61	-	6,935
<b>Total</b>	<b>37,210</b>	<b>1,545</b>	<b>121</b>	<b>841</b>	<b>61</b>	<b>-</b>	<b>39,778</b>

# Mid-year capital spending proposals

In addition to projects already approved (and included in the above Current Plan), the tables below list proposals that have been endorsed by the Capital Programme Board and are now proposed for funding, All items have assigned existing funding sources with four impacting on Capital Funding Available (as indicated).

Ref.	Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
	<b>Approved since BSR Feb 2017:</b>							
PR050 b	Office Accommodation Mandela House – funded from GF reserves	450	-	-	-	-	-	450
	<b>Total Approved since BSR Feb 2017</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>450</b>

Ref.	Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
	<b>Proposals</b>							-
SC648	Local Centres Improvements Programme - Arbury Court	59	141	-	-	-	-	200
SC653	Replacement heating system at the Waterbeach garage	39	-	-	-	-	-	39
SC652	Modification to in-ground lift in Waterbeach <sup>1</sup>	18	-	-	-	-	-	18
SC645	Electric vehicle charge points – use of additional funding received	205	145	151	25	-	-	526
	<b>Sub-total</b>	<b>321</b>	<b>286</b>	<b>151</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>783</b>
Misc	Section 106 miscellaneous	833	14	-	-	-	-	847
	<b>Total Proposals</b>	<b>1,154</b>	<b>300</b>	<b>151</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>1,630</b>

<sup>1</sup> - £8k requested for funding, £10k funded from service revenue resources.

The prioritisation scores for the proposed schemes that required allocation of funding are set out below:

Prioritisation category	SC648 - Local Centres Improvement Programme - Arbury Court	SC653 - Replacement boilers at the Waterbeach garage CPB to approve)	SC652 - Modification to in-ground lift in Waterbeach
Statutory requirement or business critical	No	Yes	No
<b>Alignment with council objectives (averaged over 7 objectives)</b>	<b>1.4 out of 5</b>	<b>0.6 out of 5</b>	<b>0.7 out of 5</b>
- delivering sustainable prosperity for Cambridge and fair shares for all	1	0	0
- tackling the housing crisis	1	0	0
- Making Cambridge safer and more equal	1	0	0
- Investing in improving transport	1	0	0
- Protecting our city's unique quality of life	4	0	0
- Tackling climate change and making Cambridge cleaner and greener	1	4	0
- Protecting essential services and transforming delivery	1	0	5
Financial impact	0 (revenue cost neutral)	0 (revenue cost neutral)	1 (increased income)
Delivery risk – project planning	Low	Medium	Low
Delivery risk – project complexity	Medium	Low	Low
<b>Key – scoring of alignment with council objectives</b>	0 Scheme does not support this objective in any way 1 Scheme provides minimal support for this objective 2 Scheme provides some support and/or indirect support for this objective 3 Scheme aligned to this objective, either directly or provides necessary facilitation (e.g. a computer system) 4 Scheme directly aligned to this objective, with some additional benefits for the council 5 Scheme will deliver this objective in a value added / innovative way with additional benefits for the council		

If all the above proposals are accepted, the effect of these schemes, along with schemes already approved in year on the level of unapplied capital funding available is shown in the following table.



Approved since BSR including proposals	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
<b>BSR Feb 2017:</b>							
Spend	7,754	581	81	512	-	-	8,928
Funding	(7,754)	(1,870)	(1,842)	(2,273)	(1,786)	(1,786)	(17,311)
<b>Funding available and unapplied</b>	<b>-</b>	<b>(1,289)</b>	<b>(1,761)</b>	<b>(1,761)</b>	<b>(1,786)</b>	<b>(1,786)</b>	<b>(8,383)</b>
<b>Changes approved and adjustments made in year:</b>							
Spend	29,456	964	40	329	61	-	30,850
Funding	(29,456)	(964)	(40)	(329)	(61)	-	(30,850)
<b>Funding available and unapplied</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Proposals:</b>							
<b>Spend:</b>							
S106	833	14	-	-	-	-	847
Other	321	286	151	25	-	-	783
<b>Funding:</b>							
S106	(833)	(14)	-	-	-	-	(847)
Other	(215)	(145)	(151)	(25)	-	-	(536)
Rephase DRF / funding available from 2018/19	(106)	106	-	-	-	-	-
<b>Funding available and unapplied</b>	<b>-</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>247</b>
<b>Revised capital funding availability</b>	<b>-</b>	<b>(1,042)</b>	<b>(1,761)</b>	<b>(1,761)</b>	<b>(1,786)</b>	<b>(1,786)</b>	<b>(8,136)</b>
<b>Memo: 5% top-slice of 'BSR 2015 funding available' for feasibility budget (revenue)</b>	<b>82</b>	<b>82</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>540</b>

It should be noted that, in the absence of available capital funding in 2017/18, £450k has been taken directly from GF reserves to fund works at Mandela House, as approved through urgency procedures. The three schemes proposed in this MTFS put a further demand on capital funding, totalling £247k. In the absence of available capital funds, these schemes could be funded from one or a mixture of the sources listed below:

- Directly from GF reserves, reducing the headroom above the prudent minimum balance and increasing savings requirements
- Capital funding brought forward from 2018/19, reducing the available balance to £1,042k if all 3 schemes are funded, and thereby restricting the value of capital schemes that can be funded through the budget setting process for 2018/19.
- Funding made available by deleting or stopping schemes currently on the capital plan and reassigning funding to the proposed schemes.
- Future expected capital receipts, addressing the timing difference through internal borrowing. This approach would limit the opportunity to reinvest in commercial property, or to assign the capital receipts to fund forthcoming major projects.

It is recommended that the schemes are funded from the 2018/19 allocation of capital funding, with the requirement to review and challenge the levels of capital expenditure in the budget setting process for that year.

## Revised plan

If the above proposals are approved, the revised capital plan will be as follows:

MTFS Proposals	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
<b>Current approved plan total (as above):</b>	<b>37,210</b>	<b>1,545</b>	<b>121</b>	<b>841</b>	<b>61</b>	<b>-</b>	<b>39,778</b>
<b>Changes proposed:</b>							
Programmes	833	14	-	-	-	-	847
Projects	321	286	151	25	-	-	783
<b>Sub-total</b>	<b>1,154</b>	<b>300</b>	<b>151</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>1,630</b>
Provisions	-	-	-	-	-	-	-
<b>Total</b>	<b>1,154</b>	<b>300</b>	<b>151</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>1,630</b>
<b>Proposed plan:</b>							
Programmes	23,904	1,222	-	-	-	-	25,126
Projects	8,760	361	176	50	-	-	9,347

<b>MTFS Proposals</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>Total £000</b>
<b>Sub-total</b>	<b>32,664</b>	<b>1,583</b>	<b>176</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>34,473</b>
Provisions	5,700	262	96	816	61	-	6,935
<b>Total</b>	<b>38,364</b>	<b>1,845</b>	<b>272</b>	<b>866</b>	<b>61</b>	<b>-</b>	<b>41,408</b>

Work continues to develop a number of larger schemes to be brought forward for funding approval through the Budget Setting Report in February 2018 and beyond. These schemes will draw on capital funding available and reported above, expected capital receipts and potentially internal and external borrowing as appropriate for the scheme. These larger schemes are likely to include the redevelopment of Mill Road Depot and development at Cambridge Fringe North East.

# Section 7

## Risks and reserves

### Risks

The council is exposed to a number of risks and uncertainties which could affect its financial position:-

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- The economic impact of the United Kingdom leaving the European Union may impact some of the council's income streams such as car parking income, commercial rents and planning fee income;
- Funding from central government (Settlement Funding Assessment, New Homes Bonus and other grants) may fall below projections;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2010, may significantly exceed the provision put aside for this purpose;
- The business rates revaluation, which came into effect in April 2017 may reduce business rates receipts;
- The impact of 100% business rates retention, coupled with any additional responsibilities handed down to the council at that time, may create a net pressure on resources;
- New legislation or changes to existing legislation may have budgetary impacts;
- Unforeseen capital expenditure, such as major repairs to offices and commercial properties, may be required;

- The implementation of proposals to tackle congestion in Cambridge may adversely impact car parking income and the delivery of services that rely on officers travelling around the city. The council may also become subject to a work place parking levy;
- The council may have to contribute to costs associated with the implementation and administration of devolution proposals; and
- The council may not be able to replace time-limited funding for commitments to maintain open spaces associated with growth sites, or implement alternative arrangements for their maintenance.

# Reserves

## General Fund reserve

The GF reserve is held as a buffer against crystallising risks and to deal with timing issues and uneven cashflows. As such, the level of the reserve required is dependent on the financial risks facing the council which will vary over time. Therefore, the prudent minimum balance (PMB) and target level of the GF reserve has been reviewed in the light of current risks. Detailed calculations of these amounts are provided in Appendix B.

As a result, the following changes are recommended and have been included in the calculations of net savings requirements in this report.

General Fund reserves	£m
February 2017 BSR	
- Target level	6.37
- Minimum level	5.31
September 2017 MTFS – Recommended levels	
- Target level	6.42
- PMB	5.35

The table below shows current and projected levels of the GF reserve.

Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<b>Balance as at 1 April (b/fwd)</b>	<b>(15,412)</b>	<b>(9,166)</b>	<b>(8,687)</b>	<b>(9,263)</b>	<b>(8,396)</b>	<b>(7,335)</b>
Total Contribution (to) / from reserves	6,246	479	(576)	867	1,061	883
<b>Balance as at 31 March (c/fwd)</b>	<b>(9,166)</b>	<b>(8,687)</b>	<b>(9,263)</b>	<b>(8,396)</b>	<b>(7,335)</b>	<b>(6,452)</b>

## Earmarked and specific funds

In addition to the GF reserve, the GF maintains a number of earmarked or specific funds which are held for major expenditure of a non-recurring nature or where the income is received for a specific purpose, see Appendix C.

A review of the purpose and use of these funds was undertaken during 2014/15. A number of the funds were discontinued and balances released. These funds are now subject to annual review as part of the MTFS to ensure that principles agreed at the time are applied:-

- Major policy-led funds, such as the Sharing Prosperity Fund (SPF) and the Climate Change Fund, will be retained.
- Selected Repairs and Renewals (R&R) Funds – for vehicles and Bereavement Services – will be retained.
- Any other reserves will only be held as required for statutory or accounting purposes, or to record balances held by the council for other organisations or partnerships.
- Uncommitted balances will be moved to the GF reserve, and funds closed when all committed balances are spent.

Type of earmarked or specific fund	Balance at 31 March 2017 £000	Balance at 31 March 2016 £000
Major policy-led funds	10,796	7,472
R&R funds	2,753	2,143
Statutory and accounting reserves	3,844	4,717
Shared / partnership funds	5,330	2,212

<b>Type of earmarked or specific fund</b>	<b>Balance at 31 March 2017 £000</b>	<b>Balance at 31 March 2016 £000</b>
Other – to be closed once committed balances are spent	1,063	1,243
<b>Total</b>	<b>23,786</b>	<b>17,787</b>

# Section 8

## Budget strategy

### General Fund savings requirements

The February 2017 BSR identified the need to find £238k of ongoing net savings in the GF in 2018/19. Current financial projections, taking account of revised assumptions and incorporating all changes proposed as part of this GF MTFS show that work remains to be done to balance the budgets over the period 2018/19 and beyond, with additional net savings of around £1.0m to be found in the next five years.

Description	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Net savings requirement (BSR Feb 2017)	238	316	561	560	560
Contribution to savings target (Section 4)	(238)	(71)	(316)	(315)	(315)
<b>Revised (MTFS) net savings requirement</b>	<b>0</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>

### General Fund budget strategy

#### The budget process

The GF budget process for 2018/19 will remain broadly similar to that for previous years, working within an overall cash limit designed to meet known financial pressures. The base model used to prepare this report has driven the recommendations in respect of the 2018/19 budget process and provided indications of the level of savings required to meet both current and anticipated spending needs.

The GF MTFS has highlighted:



- Further economic uncertainty following the General Election result and with Brexit negotiations showing no early progress;
- A lack of clarity in the future direction of local government funding, following the abandonment of the Local Government Finance Bill post-election; and
- Pressure on payroll costs, partially balanced by an opportunity to increase the vacancy factor applied to these costs, ensuring consistency across council services.

## Identification of further savings

The council has a record of identifying and delivering savings, through both service reviews and improvements in value for money obtained over all categories of spending. However, it is expected that the value of new savings found will decrease over time as services become leaner and more cost effective. Therefore, the council has embarked on a long term programme of transformation which will make fundamental changes to the way the council delivers services and interacts with residents, tenants and other parties. This approach was set out in the efficiency plan in Section 8 of the MTFS 2016.

## Efficiency plan 2016 to 2020

MTFS 2016 presented the council's efficiency plan in line with government requirements. As a result a guarantee covering certain funding streams from government was received covering the four year period commencing in 2016/17. Two years of this guarantee remain.

The efficiency plan took the seven aims or objectives which form the basis of the Corporate Plan and identified a three pronged approach to service review and savings delivery: the transformation programme, the extension of collaborative working with local partners, and investment to provide regular income streams.

The efficiency plan continues to guide the work of the council and provides the structure and mechanisms to deliver on our savings requirements. As such, BSR 2018 will present budget proposals for savings and increased income, and bids for implementation costs arising from efficiency plan initiatives.

# Achieving financial sustainability and resilience

As demonstrated in this document, the council's finances remain healthy despite continuing pressures and uncertainties. However, there is no foreseeable end to austerity for local authorities and economic conditions remain challenging. It is important, therefore, to ensure that the council is prepared to manage financial challenges as they arise.

To ensure financial resilience the council must:-

- Maintain healthy levels of reserves
- Maintain a five year financial planning horizon
- Plan and deliver savings in a controlled and sustainable way
- Ensure savings and income plans are firm and robust and that gaps / savings still to be found are minimised, particularly in the next two or three financial years
- Minimise unplanned overspends and/or carrying forward undelivered savings into the following year.

The council maintains a sound system of financial management and control. However, it continues to enhance its planning and monitoring with a view to ensuring that circumstances that might lead to financial stress are identified and acted upon in a timely manner. To this end, all Heads of Service now review financial and performance monitoring reports council-wide, ensuring greater challenge, visibility and ownership. Further on-going enhancements include:-

- Implementing a new financial system:-
  - Providing better tools for budget holders to monitor their income and expenditure.
  - Reinforcing the financial management responsibilities of budget holders and their support teams through training on the new system
  - Enforcing financial procedures and limits through automated workflow processes

- Improving project management processes and skills, including:-
  - Revising the council's project management toolkit
  - Providing project management training for project managers and sponsors
  - Increasing programme and project monitoring through three key boards; the Transformation Programme Board, the Capital Programme Board and the ICT Programme Board.
- Enabling greater financial input and challenge to projects and new ventures, particularly at the business case stage, through increasing the resource and skills in the finance team.
- Undertaking more detailed cash flow and funding projections for large and complex projects to support decision-making at the project, programme and whole council levels.

# Appendix A (a)

## Capital Plan 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
<b>Capital-GF Projects</b>								
PR030e	Cavendish Rd (Mill Rd end) improvements: seating & paving (S106)	J Richards	16	0	0	0	0	0
PR030f	Bath House Play Area Improvements (S106)	D O'Halloran	0	0	0	0	0	0
PR030j	The Mill Road Railway Legacy (S106)	A Wilson	60	0	0	0	0	0
PR030l	Ditton Fields play area improvements (S106)	A Wilson	26	0	0	0	0	0
PR030r	Brothers' Place landscaping and natural play improvements (S106)	I Ross	8	0	0	0	0	0
PR031n	Grant for 4 tennis courts at North Cambridge Academy (S106)	I Ross	125	0	0	0	0	0
PR031q	Bramblefields nature reserve: improve biodiversity and access (S106)	A Wilson	12	0	0	0	0	0
PR032g	Cherry Hinton Rec Ground pavilion refurb. (S106)	I Ross	5	0	0	0	0	0
PR032l	Grant to improve community facilities at Lutheran Church on Shaftesbury Road (S106)	J Hanson	10	0	0	0	0	0
PR032p	Reilly Way play area improvements (S106)	A Wilson	5	0	0	0	0	0
PR032r	Install junior fit kit at Accordia development (S106)	A Wilson	14	0	0	0	0	0
PR032t	Fulbourn Road open space improvements (S106)	A Wilson	10	0	0	0	0	0
PR032w	Accordia open space improvements (S106)	A Wilson	10	0	0	0	0	0
PR033j	Lammas Land tennis court upgrade (S106)	I Ross	45	0	0	0	0	0
PR033m	Benches on Carisbrooke Road green and next to Coton footpath near Wilberforce Road (S106)	A Wilson	3	0	0	0	0	0
PR033q	Additional play equipment, benches and landscaping at Christ Piece's play area (S106)	A Wilson	13	0	0	0	0	0
PR033q	Improvements to Histon Road Rec Ground football area (S106)	I Ross	31	0	0	0	0	0
PR033t	St Clement's churchyard open space on Bridge Street (S106)	A Wilson	10	0	0	0	0	0
PR034d	Public Art - 150th and 400th Anniversary (Cambridge Rules) (S106)	N Black	36	0	0	0	0	0
PR034n	Cambridge Gymnastics Academy: grant for warehouse conversion into gym facility (S106)	I Ross	65	0	0	0	0	0
PR034p	Cambridge 99 Rowing Club: grant for kitchen facilities (S106)	I Ross	5	0	0	0	0	0

# Appendix A (a)

## Capital Plan 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
PR034r	Cambridge Rugby Club: grant for new changing rooms (S106)	I Ross	200	0	0	0	0	0
PR040g	Public art grant - Chesterton mural (S106)	S Tovell	1	0	0	0	0	0
PR040i	Public art grant - History Trails (S106)	S Tovell	5	0	0	0	0	0
PR040k	Public art grant - Mitcham's models and Mitcham's models at Christmas (S106)	A Wilson	0	0	0	0	0	0
PR040l	Public art grant - Newnham Croft stained glass window (S106)	S Tovell	5	0	0	0	0	0
PR040n	Public art grant - public art at Humberstone Road (S106)	S Tovell	1	0	0	0	0	0
PR040o	Public art grant - 'The place where we stand' (S106)	S Tovell	3	0	0	0	0	0
PR040r	Public art grant for Cambridge Junction Radio Local (S106)	N Black	15	0	0	0	0	0
PR040s	Public art grant for Kettle's Yard - Antony Gormley Performance Programme (S106)	N Black	15	0	0	0	0	0
PR040u	Public art grant for University of Cambridge Primary School - Eddington Flag Parade (S106)	N Black	16	10	0	0	0	0
PR040v	Public art grant for Pink Festival Group - showcase of queer arts (S106)	N Black	5	0	0	0	0	0
PR040w	Public art grant for Menagerie Theatre Company - Trumpington Voices (S106)	N Black	17	4	0	0	0	0
PR040x	Public art grant for Oblique Arts - Mitchams Moving (S106)	N Black	13	0	0	0	0	0
PR040y	Public art grant for Historyworks - Rhyme, Rhythm and Railways (S106)	N Black	15	0	0	0	0	0
PR040z	Public art grant for Historyworks - Michael Rosen Walking Trails 2 (S106)	N Black	15	0	0	0	0	0
PR041a	Grant for refurbishment of community facilities in Memorial Hall and Church Hall, Cherry Hinton Rd (S106)	J Hanson	150	0	0	0	0	0
PR041b	Grant to Cambridge Gymnastics Academy for trampoline and foam pit in gym (S106)	I Ross	75	0	0	0	0	0
PR041c	Sheep's Green watercourse improvements and habitat creation (S106)	G Belcher	45	0	0	0	0	0
PR041d	Grant to Camrowers and CRA Boathouse (S106)	I Ross	9	0	0	0	0	0
PR050a	Relocation of services to 130 Cowley Road (OAS)	W Barfield	479	0	0	0	0	0
PR050b	Mandela House refurbishment (OAS)	W Barfield	1,757	0	0	0	0	0

# Appendix A (a)

## Capital Plan 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
PR050c	Refurnishing Guildhall 4th floor (OAS)	F Barratt	42	0	0	0	0	0
PR050d	Mobile working (OAS Phase II)	F Barratt	99	0	0	0	0	0
PR050e	Cowley Road Compound ex-Park and Ride site (OAS)	W Barfield	566	0	0	0	0	0
SC548	Southern Connections Public Art Commission (\$106)	A Wilson	13	21	0	0	0	0
SC570	Essential Structural/Holding Repairs - Park Street Multi Storey car park	S Cleary	12	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Saunders	20	0	0	0	0	0
SC588	NW Cambridge Development Underground Collection Vehicle	T Nicoll	0	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	S Cleary	268	15	0	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donnell	200	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	T Allen	187	0	0	0	0	0
SC604	Replacement Financial Management System	C Ryba	160	0	0	0	0	0
SC605	Replacement Building Access Control System	W Barfield	48	0	0	0	0	0
SC608	Improvements to Gwydir Street Enterprise Centre	D Prinsep	196	0	0	0	0	0
SC611	Grafton East car park essential roof repair	S Cleary	200	0	0	0	0	0
SC612	Car parking control equipment at multi storey car parks	S Cleary	570	0	0	0	0	0
SC614	Redeployable CCTV camera stock	L Kilkelly	60	0	0	0	0	0
SC615	Cherry Hinton Grounds Improvements Phase 2 (\$106)	A Wilson	239	0	0	0	0	0
SC621	20 Newmarket Road - commercial property	D Prinsep	73	0	0	0	0	0
SC622	Grafton East car park LED lights	S Cleary	0	0	0	0	0	0
SC623	Environment and cycling improvements in Water Street and Fen Road	A Wilson	35	0	0	0	0	0
SC629	Abbey Pools air plant upgrade	I Ross	0	0	0	0	0	0

# Appendix A (a)

## Capital Plan 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
SC630	Abbey Pools solar thermal upgrade	I Ross	33	0	0	0	0	0
SC631	Grand Arcade car park LED lights	S Cleary	0	0	0	0	0	0
SC634	Grand Arcade and Queen Anne Terrace car parks sprinkler systems	S Cleary	399	0	0	0	0	0
SC635	Grand Arcade car park deck coating and drainage repairs and replacements	S Cleary	1,000	0	0	0	0	0
SC636	Management of waste compound - vehicle	D Blair	165	0	0	0	0	0
SC639	Re-roofing the Guildhall	A Muggeridge	164	0	0	0	0	0
SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	G Theobald	315	0	0	0	0	0
SC645	Electric vehicle charging points	J Dicks	230	170	176	50	0	0
SC648	Local Centres Improvement Programme - Arbury Court	J Richards	59	141	0	0	0	0
SC652	Modification to in-ground lift in Waterbeach	D Cox	18	0	0	0	0	0
SC653	Replacement heating system at the Waterbeach garage	D Cox	39	0	0	0	0	0
<b>Capital-GF Projects</b>			<b>8,760</b>	<b>361</b>	<b>176</b>	<b>50</b>	<b>0</b>	<b>0</b>
<b>Capital-Programmes</b>								
PR010a	Environmental Improvements Programme - North Area	J Richards	127	50	0	0	0	0
PR010b	Environmental Improvements Programme - South Area	J Richards	126	36	0	0	0	0
PR010c	Environmental Improvements Programme - West/Central Area	J Richards	123	36	0	0	0	0
PR010d	Environmental Improvements Programme - East Area	J Richards	148	48	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	2,546	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (S106)	T Nicoll	231	100	0	0	0	0
PR037	Local Centres Improvement Programme	J Richards	8	0	0	0	0	0
PR038	Investment in commercial property portfolio	D Prinsep	20,000	0	0	0	0	0
PR039	Minor Highway Improvement Programme	J Richards	75	30	0	0	0	0

# Appendix A (a)

## Capital Plan 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
PR050	Office Accommodation Strategy Phase 2 (OAS)	F Barratt	40	922	0	0	0	0
PR051	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	W Barfield	450	0	0	0	0	0
<b>Capital-Programmes</b>			<b>23,874</b>	<b>1,222</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital-GF Provisions</b>								
PV007	Cycleways	J Richards	362	50	0	0	0	0
PV016	Public Conveniences	A French	0	0	0	0	0	0
PV018	Bus Shelters	J Richards	5	0	0	0	0	0
PV033B	Street Lighting	J Richards	5	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	2	0	0	0	61	0
PV526	Clay Farm Community Centre - Phase 1 (S106)	C Conlan	0	0	0	0	0	0
PV532	Cambridge City 20mph Zones Project	J Richards	0	0	0	0	0	0
PV549	City Centre Cycle Parking	J Richards	25	0	0	0	0	0
PV554	Development Of land at Clay Farm	D Prinsep	471	212	96	816	0	0
PV564	Clay Farm Community Centre -Phase 2 (Construction)	C Conlan	2,895	0	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	D Prinsep	130	0	0	0	0	0
PV594	Green Deal	J Dicks	547	0	0	0	0	0
PV595	Green Deal - Private Rental Sector	J Dicks	1,258	0	0	0	0	0
<b>Capital-GF Provisions</b>			<b>5,700</b>	<b>262</b>	<b>96</b>	<b>816</b>	<b>61</b>	<b>0</b>
<b>Total GF Capital Plan</b>			<b>38,334</b>	<b>1,845</b>	<b>272</b>	<b>866</b>	<b>61</b>	<b>0</b>



# Appendix A (b)

## Capital Plan Funding

Description	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
<b>External Support</b>						
Developer Contributions	(4,477)	(135)	0	0	0	0
Other Sources	(1,969)	(25)	(25)	(25)	0	0
Prudential Borrowing	0	0	0	0	0	0
Specified Capital Grants (SCG)	(180)	(120)	(126)	0	0	0
Supplementary Credit Approvals (SCA)	0	0	0	0	0	0
<b>Total - External Support</b>	<b>(6,626)</b>	<b>(280)</b>	<b>(151)</b>	<b>(25)</b>	<b>0</b>	<b>0</b>

<b>City Council</b>						
Developer Contributions	0	0	0	0	0	0
Direct Revenue Financing (DRF) - GF Services	(1,160)	0	0	0	0	0
Direct Revenue Financing (DRF) - Use of Reserves	(4,778)	(1,458)	(1,786)	(1,786)	(1,786)	(1,786)
Earmarked Reserve - Capital Contributions	(1,784)	(922)	0	0	0	0
Earmarked Reserve - Climate Change Fund	(392)	0	0	0	0	0
Earmarked Reserve - Repair & Renewals Fund	(2,991)	(15)	0	0	0	0
HRA Capital Balances	0	0	0	0	0	0
Internal Borrowing - Temporary Use of Balances	(20,471)	(212)	(96)	(816)	0	0
Other Sources	0	0	0	0	0	0
Prudential Borrowing	0	0	0	0	0	0
Usable Capital Receipts	(132)	0	0	0	(61)	0
<b>Total - City Council</b>	<b>(31,708)</b>	<b>(2,607)</b>	<b>(1,882)</b>	<b>(2,602)</b>	<b>(1,847)</b>	<b>(1,786)</b>

<b>Total Available Finance</b>	<b>(38,334)</b>	<b>(2,887)</b>	<b>(2,033)</b>	<b>(2,627)</b>	<b>(1,847)</b>	<b>(1,786)</b>
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# Appendix A (c)

## Capital Plan [Under Development] 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
<b>Capital-GF Under Development</b>								
UD030g	[Part A] East Barnwell Comm. Centre impr. phase 1 (S106)	J Hanson	255	0	0	0	0	0
UD030h	[Part A] Romsey 'town square' public realm improvements (S106)	J Richards	56	0	0	0	0	0
UD030o	[Part A] Coldham's Lane play area improvements for older children (S106)	A Wilson	80	0	0	0	0	0
UD030o	[Part A] Improve Coleridge Rec Ground pavilion (S106)	A Wilson	70	0	0	0	0	0
UD030p	[Part A] Lichfield Road play area improvements (S106)	A Wilson	45	0	0	0	0	0
UD030p	[Part A] Outdoor fitness equipment near astroturf pitch by Abbey Pool (S106)	I Ross	42	0	0	0	0	0
UD030q	[Part A] St Matthew's Piece play area improvements (S106)	A Wilson	35	0	0	0	0	0
UD031g	[Part A] Milton Rd Library Community Meeting Space (S106)	J Hanson	100	0	0	0	0	0
UD031p	[Part A] Alexandra Gardens play area: more equipment and landscaping (S106)	A Wilson	35	0	0	0	0	0
UD031r	[Part A] Chesterton Rec Ground: new skate and scooter park (S106)	A Wilson	50	0	0	0	0	0
UD031s	[Part A] Nun's Way Rec Ground: mini climbing dome (S106)	A Wilson	20	0	0	0	0	0
UD032q	[Part A] Upgrade Nightingale Avenue play area (S106)	A Wilson	60	0	0	0	0	0
UD032s	[Part A] Footbridge across Hobson's Brook at Accordia development (S106)	A Wilson	35	0	0	0	0	0
UD032u	[Part A] Tenby Close play area improvements (S106)	A Wilson	50	0	0	0	0	0
UD032v	[Part A] Gunhild Close play area improvements (S106)	A Wilson	50	0	0	0	0	0
UD032x	[Part A] Trumpington Rec Ground trim trail (S106)	A Wilson	20	0	0	0	0	0
UD032y	[Part A] Trumpington Rec skate park (S106)	A Wilson	80	0	0	0	0	0
UD032z	[Part A] Trumpington Rec Ground climbing frame (S106)	A Wilson	50	0	0	0	0	0
UD033s	[Part A] Histon Road Rec play area: paths, surfacing and landscaping (S106)	A Wilson	40	0	0	0	0	0
UD034j	[Part A] Pavilion facilities at Jesus Green (S106)	I Ross	250	0	0	0	0	0
UD034o	[Part A] Netherhall School: supplementary grant for gym and fitness suite facilities (S106)	I Ross	0	199	0	0	0	0
UD037	[No documentation] Local Centres Improvement Programme	J Richards	0	195	195	0	0	0
UD040t	[Part A] Public art grant for Cambridge Live - Colours in our Community (S106)	N Black	17	0	0	0	0	0
UD041e	[Part A] Equipping new community centre at Darwin Green (S106)	S Roden	25	0	0	0	0	0

## Appendix A (c)

### Capital Plan [Under Development] 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
UD042b	[Part A] Mill Road cemetery access and main footpath improvements (S106)	A Wilson	175	0	0	0	0	0
UD042e	[Part A] Public realm improvements on Cherry Hinton Road (towards Hills Road end) (S106)	A Wilson	75	0	0	0	0	0
UD042f	[Part A] Public realm improvements on Sidney Street (S106)	A Wilson	43	0	0	0	0	0
UD475	[Part A] Nightingale Recreation Ground Pavilion Refurbishment (S106)	I Ross	403	0	0	0	0	0
UD593	[No documentation] A14 mitigation schemes (previously Keep Cambridge Moving Fund contribution)	S Payne	0	0	1,500	0	0	0
UD617	[Part A] Re-roofing of Folk Museum	A Muggeridge	77	0	0	0	0	0
UD618	[Part A] Resurfacing of commercial properties - Gwydir Street and Ronald Rolph Court	A Muggeridge	120	0	0	0	0	0
UD622	[Part A] BMX track on Coldham's Common (S106)	A Wilson	85	0	0	0	0	0
UD626	[Part A] River Cam public art programme (S106)	A Wilson	400	0	0	0	0	0
UD626	[Part A] Improvements to Netherhall School sports hall (S106)	I Ross	169	0	0	0	0	0
UD627	[Part A] Guildhall Large Hall Windows refurbishment	A Muggeridge	101	0	0	0	0	0
UD628	[Part A] Mill Lane Boathouse (Granta Place)	P Doggett	0	0	0	550	0	0
UD631	[Part A] Improvements to community facilities at The Junction (S106)	J Wilson	98	0	0	0	0	0
UD632	[Part A] Audio-visual equipment	F Barratt	15	0	0	0	0	0
UD633	[Part A] Reinforcing grass edges along paths across Parker's Piece (S106)	D Peebles	75	0	0	0	0	0
UD637	[Part A] Chesterton Pavilion and Grounds improvements (S106)	I Ross	173	0	0	0	0	0
UD646	[Part A] Redevelopment of Cambridge Junction	J Wilson	0	17,000	0	0	0	0
UD647	[Part A] Lion Yard investment	D Prinsep	0	1,000	1,000	1,000	0	0
UD649	[Part A] Corn Exchange external work	A Muggeridge	0	382	0	0	0	0
UD650	[Part A] Cherry Hinton Library (S106)	J Hanson	0	250	0	0	0	0
<b>Capital-GF Under Development</b>			<b>3,474</b>	<b>19,026</b>	<b>2,695</b>	<b>1,550</b>	<b>0</b>	<b>0</b>

## Appendix A (c)

### Capital Plan [Under Development] 2017/18 to 2022/23

Ref.	Description	Lead Officer	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)
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*Note that the PUD list provides a list of possible capital projects, as an indication of what the council might approve for delivery in future years. Projects on the PUD list will be in various stages of development, as indicated by the [annotation] at the beginning of the project description.*

*[Part A] – the project has an outline business case, approved by the Capital Programme Board*

*[Part B] – the project has a full business case, approved by the Capital Programme Board, and is ready to be funded*

*[Scrutiny report] – the project has been reported to the appropriate Scrutiny Committee and has been approved for further development. It may be partially funded. It is likely that the project originated before the current capital approval processes were implemented, and now needs updated documentation and then funding approval*

*[No documentation] – the project has been moved from the capital plan to the PUD list, as there were no firm plans for delivery at that time. It is likely that the project originated before the current capital approval processes were implemented, and now needs updated documentation and then funding approval*

*The PUD list also gives an indication of when the project might be delivered. This is based on the latest information from services and is provided as a guide for high level planning purposes only.*

# Appendix B

## General fund reserves – calculation of Prudent Minimum Balance (PMB) and target level

Description	Level of risk	Amount at risk	Risk
		£	£
Employee costs	Low	30,032,870	60,066
Premises costs	Low	6,800,330	13,601
Transport costs	Low	637,470	2,550
Supplies and services	Low	17,630,670	8,815
Grants and transfers	Low	38,641,300	38,641
Grant income	Low	45,050,120	45,050
Other income	Medium	53,135,280	797,029
Miscellaneous	Low	655,380	983
Total one year operational risk			966,735
<b>Allowing three years cover on operational risk</b>			<b>2,900,000</b>
General and specific risks	Amount (£)	Probability (%)	
Unforeseen events	2,000,000	25%	500,000
Legal action - counsel's fees	100,000	50%	50,000
Data Protection breach	300,000	50%	150,000
Capital project overruns	1,000,000	50%	500,000
Project failure / delays to savings realisation	2,000,000	50%	1,000,000
Cover for lower level of earmarked and specific reserves	1,000,000	25%	250,000
<b>General risks</b>			<b>2,450,000</b>
<b>Prudent Minimum Balance (PMB)</b>			<b>5,350,000</b>
<b>Target (PMB + 20%)</b>			<b>6,420,000</b>

Operational cost risk profiles					
			Low	Medium	High
<b>Employee costs</b>	30,032,870	overspend	1.00%	3.00%	5.00%
		probability	20.0%	15.0%	10.0%
	<b>amount at risk</b>		<b>60,066</b>	<b>135,148</b>	<b>150,164</b>
<b>Premises costs</b>	6,800,330	overspend	1.00%	3.00%	5.00%
		probability	20.0%	15.0%	10.0%
	<b>amount at risk</b>		<b>13,601</b>	<b>30,601</b>	<b>34,002</b>
<b>Transport costs</b>	637,470	overspend	2.00%	4.00%	6.00%
		probability	20.0%	15.0%	10.0%
	<b>amount at risk</b>		<b>2,550</b>	<b>3,825</b>	<b>3,825</b>
<b>Supplies and services</b>	17,630,670	overspend	1.00%	3.00%	5.00%
		probability	5.0%	10.0%	15.0%
	<b>amount at risk</b>		<b>8,815</b>	<b>52,892</b>	<b>132,230</b>
<b>Grants and transfers</b>	38,641,300	overspend	1.00%	2.00%	3.00%
		probability	10.0%	7.5%	5.0%
	<b>amount at risk</b>		<b>38,641</b>	<b>57,962</b>	<b>57,962</b>
<b>Grant income</b>	45,050,120	overspend	1.00%	2.00%	3.00%
		probability	10.0%	7.5%	5.0%
	<b>amount at risk</b>		<b>45,050</b>	<b>67,575</b>	<b>67,575</b>
<b>Other income</b>	53,135,280	overspend	5.00%	10.00%	15.00%
		probability	10.0%	15.0%	20.0%
	<b>amount at risk</b>		<b>265,676</b>	<b>797,029</b>	<b>1,594,058</b>
<b>Other</b>	655,380	overspend	1.00%	2.00%	3.00%
		probability	15.0%	10.0%	5.0%
	<b>amount at risk</b>		<b>983</b>	<b>1,311</b>	<b>983</b>

# Appendix C

## Principal earmarked and specific funds

Fund	Balance at 1 April 2017 £000	Anticipated contributions £000	Forecast expenditure £000	Forecast balance 31 March 2023 £000
City Deal Investment and Delivery Fund	(5,151)	(11,639)	16,790	0
Sharing Prosperity Fund	(576)	(300)	876	0
Climate Change Fund	(137)	(250)	387	0
Asset Replacement Fund <sup>1</sup>	(2,753)	(6,000)	8,200	(553)
Bereavement Services Trading Account	(863)	(1,000)	1,575	(288)
Development Plan Fund <sup>2</sup>	(145)	(1,002)	1,100	(47)
Office accommodation strategy fund	(2,582)	(1,204)	3,786	0
Invest for Income	(7,500)	(500)	8,000	0
A14 Mitigation Fund	0	(1,505)	1,505	0
<b>Total</b>	<b>(19,707)</b>	<b>(23,400)</b>	<b>42,219</b>	<b>(888)</b>

The majority of these funds are subject to future contributions and expenditure which cannot be exactly stated. This table reflects our best estimates.

<sup>1</sup> The asset replacement funds will be shared in part with South Cambridgeshire District Council (SCDC) in respect of waste vehicles transferred to the shared service

<sup>2</sup> The Development Plan Fund will be a joint fund with SCDC from 1 February 2018 and the basis of cost allocation is unknown at the time as no formal Memorandum has been put in place

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To: Executive Councillor for Finance and Resources:  
Councillor Richard Robertson

Report by: Janet Fogg, Climate Change Officer

Relevant scrutiny committee: Strategy & Resources  
9/10/2017  
Scrutiny Committee

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

## **ANNUAL CLIMATE CHANGE STRATEGY, CARBON MANAGEMENT PLAN AND CLIMATE CHANGE FUND UPDATE REPORT**

### **Key Decision**

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#### **1. Executive summary**

- 1.1 This report provides an update on progress during 2016/17 on actions to deliver the five objectives of the City Council's Climate Change Strategy, which covers a five year period from 2016/17 to 2020/2021. As part of this, the report includes an update on progress in implementing the Council's Carbon Management Plan. The Plan sits under the Strategy and plays a key role in achieving its first strategic objective, which is to reduce carbon emissions from the City Council's estate and operations.
- 1.2 The report also provides an update on the current position of the Climate Change Fund, which provides support to projects that help to reduce the Council's own carbon emissions and/or manage climate change risks to Council staff and property.

#### **2. Recommendations**

The Executive Councillor is recommended to:

1. Note the progress achieved during 2016/17 in implementing the Climate Change Strategy and the Carbon Management Plan.
2. Note the Climate Change Fund Expenditure Status Report

### **3. Background**

- 3.1 The Climate Change Strategy 2016-21 focusses on reducing carbon emissions in 4 key areas that contribute most to the city's carbon footprint and where the council has the most scope to influence emissions. It also sets out actions to help residents and businesses adapt to the impacts of climate change, particularly those who are most vulnerable. The strategy's five strategic objectives are:
1. Reducing emissions from the City Council estate and operations
  2. Reducing energy consumption and emissions from homes and businesses in Cambridge by promoting energy efficiency measures, sustainable construction, renewable energy sources, and behaviour change
  3. Reducing emissions from transport by promoting sustainable transport, reducing car travel and traffic congestion, and encouraging behaviour change
  4. Reducing consumption of resources, increasing recycling and reducing waste
  5. Supporting Council services, residents and businesses to adapt to the impacts of climate change
- 3.2 As part of the performance management arrangements for the Climate Change Strategy, it was agreed that officers would provide an annual update on progress in delivering the Climate Change Strategy to the Executive Councillor for Finance and Resources at Strategy and Resources Scrutiny Committee. This report provides details of progress on some of the key actions during the first year of the new strategy. A full list of progress towards all the 49 actions in the strategy is available on the Council's website at: [www.cambridge.gov.uk/climate-change-strategy](http://www.cambridge.gov.uk/climate-change-strategy), under the heading: '2016/17 Climate Change Strategy Progress Report'.

### **4. Progress in delivering the key actions under Objective 1**

- 4.1 Objective 1 of the Climate Change Strategy, 'Reducing emissions from the City Council estate and operations', has been delivered primarily through the Council's Carbon Management Plan for

2016/17-2020/21, which was approved at Strategy & Resources Scrutiny Committee by the Executive Councillor for Finance and Resources on 18 January 2016.

### Carbon Management Plan 2016/17- 2020/21

- 4.2 The Council has set a target in the Carbon Management Plan (CMP) 2016-2021 to reduce carbon emissions from its buildings and services by 15% by the end of March 2021, with an aspiration to reduce emissions by 20% over this period. This is being achieved through developing and investing in carbon reduction projects and rationalising our estate.
- 4.3 The CMP sets out 22 projects for 2016/17 and 2017/18. An updated plan, with progress on each originally identified and newly developed projects is included at Appendix B.
- 4.4 A total of 13 projects were planned for delivery by Council services in 2016/17. Of these, 5 projects were completed in 2016/17. These projects were
- LED (light emitting diodes) lighting upgrades and motion sensors were installed at the Grand Arcade and Grafton East multi-story car parks. The new lighting is expected to reduce energy consumption by approximately 520,000 kWh at the car parks, and save approximately £46,000 and 280 tonnes of carbon every year. Meter readings for the Grand Arcade show that electricity use reduced by almost 50% between August 2016, when the LED lighting was installed, and March 2017.
  - Loft Insulation at the Crematorium's main office was topped up with 200mm of insulation, the loft hatch draught-proofed and 50m of pipes re-lagged.
  - Heating controls were installed at 171 Arbury Road. The system is now fully programmable and will adjust in response to the weather, which should reduce gas consumption. The boilers were also replaced with energy efficient condensing boilers
  - In 2016/17, the Council replaced 7 existing Euro 4 diesel vehicles with electric vans. The Council now has a total of 9 electric vehicles in its vehicle fleet. 2 more Euro 4 emissions standard diesel vans were replaced with Euro 6 diesel vans.
- 4.5 The 5 projects completed in 2016/17 cost a total of £743,262 and it is estimated that they will reduce our carbon emissions by 295

tCO<sub>2</sub>e and deliver on-going annual savings of approximately £50,795 per year.

4.6 8 of the projects in the Carbon Management Plan that were scheduled for delivery in 2016/17 have been either rephrased for operational reasons. 3 projects in the CMP for 2016/17 have had to be removed. These include projects identified for 2 community centres as a result of the Community Centres Review and an external wall insulation project on a sheltered housing building which is on hold following the Grenfell fire.

4.7 The following 2 projects have been installed so far in 2017/18:

- Project 11) Abbey Leisure Complex – Solar Thermal Upgrade: In 2013 a solar thermal system was installed at Abbey Pool, which provides a renewable source of heated water for the two indoor pools. An upgrade to the system has recently been completed, which allows the leisure centre to utilise all the heat generated in the summer months by the system providing hot water for use in the showers and for other uses in the building.
- Abbey Leisure Complex – Air Handling Unit (AHU): This project is an additional project that was identified and included in the plan. The centre's AHU, which supplies, extracts and circulates air around the building, has recently been replaced with a much more energy efficient system that recycles and re-uses more of the heat that previously was extracted, reducing gas and electricity consumption. A new control system enables better control of the heating and the programming of the Pool Hall temperatures, which also helps to reduce energy consumption and therefore the carbon emissions of the centre.

4.8 11 further projects are scheduled to be installed during 2017/18, including some projects rephased from 2016/17 and other new projects which have been identified since the CMP was produced:

- Project 9) School Court: Replacement of existing heating systems with separate communal and flat heating systems.
- Mandela House: the LED lighting replacement (Project 16) and boiler upgrade (Project 17) are due to commence when the building refurbishment starts in September 2017.
- Vehicle Fleet: A procurement exercise is underway in 2017/18 to replace 19 Euro 4 panel vans within the Estates & Facilities fleet. 1 of these will be electric and the other 18 will be Euro 6

emissions compliant. 2 Euro 4 caged tippers will be replaced with Euro 6 versions within the Streets and Open Spaces fleet. 9 Euro 4 refuse trucks are also being replaced with Euro 6 compliant vehicles in the Shared Waste Service fleet.

4.9 As reported to Strategy and Resources Committee on 3 July 2017, a number of energy efficiency and renewable energy generation technologies will also be installed at the Guildhall in 2017/18 as part of a single set of works procured through the County-wide RE: FIT framework. It is estimated that in total the projects to be installed at the Guildhall will save 426,767 kWh and 118 tCO<sub>2</sub> per annum and reduce energy costs by £27,462. The following 4 projects listed in the CMP will be delivered as part of this package of works:

- Project 1) Roofing replacement and additional insulation;
- Project 2) 30kw solar photovoltaic (PV) system;
- Project 15) Warm air heating system improvements (mechanical works to improve the efficiency of the heating and hot water system)

4.10 In addition, 3 additional projects identified by the contractor as having the potential to deliver significant energy, carbon and financial savings will also be installed at the Guildhall as part of this package of works. These include:

- building automation measures to increase the level of control over the heating systems, including installing a new Building Energy Management System (BEMS);
- insulation of pipework and valves in plant rooms to reduce heat loss;
- a combined heat and power system (CHP). The CHP unit uses gas to generate electricity which is used on site. This achieves carbon savings, because gas is a lower carbon fuel than electricity. The heat generated through the electricity generation process, which would otherwise be wasted, will also be utilised in the building, reducing the gas consumption of the Guildhall.

4.11 The potential for further carbon reduction projects will be investigated further during 2017/18, with a view to installing during 2018/19 or 2019/20 if viable, including:

- Parkside Pool – solar PV and/ or solar thermal system

- Kings Hedge Pool – Biomass boiler
- Corn Exchange – Heating and lighting improvements
- Grand Arcade Car Park - AHU replacement
- Replacing fleet vehicles with vehicles with lower emissions

4.12 As shown by the table below, the total estimated savings from projects completed during 2016/17 (295 tCO<sub>2</sub>) is lower than the total estimated savings for projects scheduled for completion in 2016/17 in the Carbon Management Plan (359 tCO<sub>2</sub>). As explained above, this is a result of some projects being rephrased due to wider operational requirements or removed from the Plan because they proved to be unviable on further investigation.

4.13 However, the total estimated savings for projects completed during 2016/17 and projects that are now scheduled for completion in 2017/18 (658 tCO<sub>2</sub>) is higher than the total estimated savings for projects scheduled for completion in 2016/17 and 2017/18 in the Carbon Management Plan (526 tCO<sub>2</sub>). This is because a number of new projects have been identified for completion during 2017/18 which will achieve significant carbon reductions, including the Guildhall works.

**Table 1 - Total carbon estimated carbon emission savings – Carbon Management Plan savings compared with estimated savings from projects installed in 16/17 and in development to be installed in 17/18 and 18/19:**

<b>Year</b>	<b>Estimated savings for projects listed in CMP (tCO<sub>2</sub>)</b>	<b>Estimated savings from installed/ to be installed projects (tCO<sub>2</sub>)</b>
2016/17	359.1	295
2017/18	166.5	363.1
<b>Total:</b>	<b>525.6</b>	<b>658.1</b>
2018/19	0	19.9 (total savings calculated so far for identified measures)
<b>Total:</b>	<b>525.6</b>	<b>678</b>

### Greenhouse Gas Report

4.14 We are required to submit the Council’s carbon emissions from its estate and operations, to Government in our annual Greenhouse Gas report. The reports for 2015/16 and 2016/17 are available on

the Council's website here: [www.cambridge.gov.uk/climate-change-strategy](http://www.cambridge.gov.uk/climate-change-strategy).

- 4.15 The Council's total gross greenhouse gas emissions for the financial year 1st April 2016 to 31st March 2017 was 7,234 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). This is a reduction in emissions of 807 tCO<sub>2</sub>e from the 2014/15 baseline when the emissions total was 8,041 tCO<sub>2</sub>e. Our emissions have therefore reduced a further 4.6% in 2016/17 from 2015/16 (emissions total was 7,584) and overall have reduced by 10% from the 2014/15 baseline.
- 4.16 From October 2016, the council signed up to a 100% green electricity contract for all its electricity meters. As the electricity for the tariff is being provided from 100% renewable sources (solar, wind and hydro/wave energy) which do not produce carbon emissions, the council has included this reduction in its 'net' carbon emissions total reported in its Greenhouse Gas report.

#### Total carbon emissions per capita in Cambridge

- 4.17 The Government published carbon emissions for local authority areas on an annual basis, two years in arrears. The carbon emissions data per capita in Cambridge has declined steadily over the last 10 years, from 6.7 tCO<sub>2</sub> per person in 2005 to 4.2 tCO<sub>2</sub> in 2015, which is a reduction of 29%.

#### Climate Change Fund status

- 4.18 The Council's Climate Change Fund, established in 2008, was set up to fund measures that will reduce the carbon footprint of the Council's buildings, fleet and services. Since 2009, an annual status report on the Climate Change Fund has been presented to either Environment Scrutiny Committee or Strategy and Resources Scrutiny Committee depending on the Executive Councillor and Portfolio at that time.
- 4.19 To date, a total of £1,233,820 has been invested in the Climate Change Fund since 2008/9. This includes a total of £420,000 added to the fund in 2016/17 and 2017/18.
- 4.20 A full break down of all expenditure from the Fund is provided in Appendix D. This shows that, to date, a total of 32 projects have

been supported by the Fund, representing a total investment of £789,186. Since 2011/12, the Fund has primarily been used to support the delivery of projects in the Carbon Management Plan.

- 4.21 The current remaining balance of the Fund is £404,623. The 11 projects identified at 4.9 for delivery during the remainder of 2017/18 will be funded through a combination of the Climate Change Fund, the Repairs and Renewals Fund and the Housing Revenue Account. These projects will require £326,198 from the Climate Change Fund, which will leave £78,425 remaining in the Climate Change Fund at the end of 2017/18.

#### The Global Covenant of Mayors for Climate & Energy

- 4.22 The Global Covenant of Mayors for Climate & Energy formally brings together the Compact of Mayors and the European Union's Covenant of Mayors. There are three carbon emissions reporting platforms supporting the Global Covenant of Mayors. To date the Council has submitted our 2014/15 and 2015/16 greenhouse gas emissions to CDP (formally the Carbon Disclosure Project), which is one of the Global Covenant of Mayors' three official reporting platforms.
- 4.23 To register intent of compliance, cities must commit to reporting their emissions using the Global Protocol for Community-Scale Greenhouse Gas Emissions Inventories (GPC) and reporting on both the current and future climate hazards that they face within 12 months of committing. Emissions of carbon dioxide (CO<sub>2</sub>) from all stationary energy used and generated in the city and all travel within the city boundary must be collated and reported. Within 3 years emissions from all waste generated in the city must be included.
- 4.24 All cities must register a city-wide target to reduce local GHG reductions within 2 years and a climate action plan needs to be submitted within 3 years. The Council already has a Climate Change Strategy agreed in 2016 and which details the actions that will be delivered under 5 objectives up to 2021 and has set an aspiration to achieve carbon zero in Cambridge by 2050.
- 4.25 The council is already able to access and use estimates of carbon dioxide emissions for Local Authority (LA) areas published by National Statistics annually ([www.gov.uk/government/statistics/uk-](http://www.gov.uk/government/statistics/uk-)



[local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2015](#)). Estimates of carbon dioxide emissions are produced for each Local Authority in the UK. Details of the most up to date data for Cambridge are provided at 4.17 above. The available data is 2 years in arrears due to the complexity of the data collection and calculations involved.

- 4.26 The purpose of these estimates is to assist those wishing to understand and assess changes in Local Authority emissions. These statistics, allow Local Authorities to track their GHG emissions trends over time, and measure progress against any targets they have. The local estimates are designed to be as consistent as possible with the national inventory for the UK, which is used to report the UK's progress against international emission reduction commitments. The aim of the publication is to provide the most reliable and consistent possible breakdown of CO<sub>2</sub> emissions across the country, using nationally available data sets, which is therefore comparable with other cities in the UK.
- 4.27 Given the significant staff resources that would be needed in order to produce the inventory, within the timescale, and the fact that data on the city's emissions is already produced and available to monitor reductions in emissions, the council does not believe that it would be beneficial for the council to sign up to the Global Covenant of Mayors for Climate & Energy at this time.

## **5. Progress in delivering the key actions under Objective 2**

- 5.1 Objective 2 of the Climate Change Strategy, 'Reducing energy consumption and emissions from homes and businesses in Cambridge by promoting energy efficiency measures, sustainable construction, renewable energy sources, and behaviour change' is being achieved by:
- using opportunities for funding for projects
  - promoting available government schemes
  - implementing a number of actions where the Council has responsibility and influence to improve the efficiency of homes and businesses.
- 5.2 Improving energy efficiency of domestic properties is key to reducing carbon emissions, with a third of carbon emissions coming from heating draughty buildings. A report to Parliament by the Green Building Council states that nationally 25 million existing

homes will not meet the insulation standards required by 2050 and will need refurbishing to the highest standards at a rate of 1.4 homes every minute in order for government carbon reduction targets to be met.

5.3 The City Council has assisted residents to reduce their carbon emissions through a range of measures in 2016/17 to improve the energy efficiency of existing homes in the City, including:

- Action 2.1: The Council supported residents to access financial support for domestic energy efficiency improvements through the Action on Energy partnership (including the five other Cambridgeshire local authorities) which received over £6million in funding from the government's Green Deal Communities Fund in 2014. In Cambridge, the project benefitted from over £2 million of the funding award and assisted 433 homes in Cambridge through retrofitting of energy efficient measures, including the installation of 422 solid wall installations by the end of the project in September 2016. Green Deal Communities has now closed, but Action on Energy is still active and is currently seeking other opportunities for external funding. There may be funding available through the revised Energy Company Obligation, and through the recently released Warm Homes Fund.
- Through the Anti-poverty Strategy we have employed a Fuel and Water Poverty officer to provide tailored advice and home visits predominately to residents in areas of high deprivation with the aim to reduce the cost of household energy and water consumption. The achievements to date include:
  - Working with Cambridge Water to increase uptake of water meter installations. In 2016/17 800 residents installed water meters in total, and a further 220 residents have installed water meters so far in 2017/18
  - Developing leaflets on the savings that can come from adopting a water efficiency approach, and switching to water meters
  - Utilising data to target areas of high deprivation, areas of low water meter uptake, and low occupancy properties
  - Promoting the benefits of water meters and water efficiency at events, through marketing, and through

providing a home visits and advice service. In 2016/17 121 energy or water saving measures installed as a direct result of this activity, with a further 77 measures installed so far in 2017/18.

- Action 2.4: Previously, the Council played an active role in the Cambridge Retrofit project, which aimed to demonstrate the business case for large scale energy efficiency improvements to public and private sector estates. Following the departure of the project lead from the University of Cambridge the project has not been progressed, but the Council will continue to monitor any opportunities to collaborate with the University and other public and private sector partners in future.
- Action 2.12: Since January 2017 we have been working with colleagues from Cambridgeshire County Council, other Cambridgeshire authorities and the LEP to develop closer working arrangements with UK Power Networks to facilitate improvements to grid capacity across the area to help facilitate additional low carbon energy generation. A growth protocol for utilities provision is currently under development.
- Action 2.13: The Council has carried out a number of communications actions designed to encourage behaviour change by residents and businesses and reduce their carbon footprint, including:
  - Website: The Sustainability section on the Council's website ([www.cambridge.gov.uk/sustainability](http://www.cambridge.gov.uk/sustainability)) has been revised and updated, providing information for residents and businesses in Cambridge to reduce their carbon emissions and help us to achieve the objectives of the Climate Change Strategy.
  - Press Releases: A number of press releases have been produced to promote the measures that have been carried out by the Council, including the LED lighting upgrades at the car parks and the new green electricity contract.
  - Articles: Cambridge Matters, the Council's newsletter, has regularly featured sustainability-related articles on the activity of the Council and how residents can act, often linking with national awareness-raising campaigns such as World Environment Day.

- Sustainability-themed posters: these have been produced and displayed on the noticeboards on the outside of the Guildhall and Mandela House buildings - one to raise awareness of solar PV installed at Brandon Court and one on the Council's fleet, which is increasingly upgrading to electric vehicles.
- The Council's publication 'Greening Your Home', which provides advice for residents on reducing their carbon emissions, has continued to be made available at the Customer Service Centre, libraries, events, through community-action groups, and has been promoted on the Council's social media channels. The guide is available to download at: [www.cambridge.gov.uk/greening-your-home](http://www.cambridge.gov.uk/greening-your-home).

5.4 The Council has used planning policy and guidance to promote sustainable development, where possible within the context of national planning policy. For example:

- The Cambridge Local Plan, which will set out the planning framework to guide the future development of Cambridge to 2031, is anticipated to be approved in late 2017/ 2018. It includes a range of policies to minimise the impact of future development in the City on climate change:
  - Policy 5: Strategic transport infrastructure
  - Policy 27: Carbon reduction, community energy networks, sustainable design and construction, and water use
  - Policy 29: Renewable and low carbon energy generation
  - Policy 30: Energy-efficiency improvements in existing dwellings
  - Policy 31: Integrated water management and the water cycle
  - Policy 32: Flood risk
  - Policy 63: Works to a heritage asset to address climate change
  - Policy 66: Paving over front gardens (re: surface water flooding)
  - Policy 81: Mitigating the transport impact of development
- Action 2.8: Cambridge Sustainable Housing Design Guide: All new homes being built in Cambridge by the Housing Development Agency will be built to the requirements set out in the Cambridge Sustainable Housing Design Guide. The guide

will help to ensure new homes are energy and water efficient, have a positive impact on the health and wellbeing of residents, and can cope with future changes to our climate. The Council is also promoting the guide to partners and developers.

- 5.5 The Council has also taken a number of steps to support local businesses to reduce their carbon emissions. The Council hosted two free Carbon Trust energy management workshops in June 2016 (Action 2.5). The workshops helped 15 attendees from local businesses to identify behavioural and low cost opportunities to reduce energy costs in their workplace. They were also signposted to available, including the Carbon Trust Green Business Fund which provides a capital contribution of up to £10,000 towards the cost of energy efficiency projects that comply with the requirements of the fund.
- 5.6 The Council will also host a free energy efficiency training session for SMEs to be delivered in November 2017 by the Carbon Trust Start2Act programme, which has received funding from the European Union's Horizon 2020 research and innovation programme.

## **6. Progress in delivering the key actions under Objective 3:**

- 6.1 Objective 3 of the Climate Change Strategy, 'Reducing emissions from transport by promoting sustainable transport, reducing car travel and traffic congestion, and encouraging behaviour change' is being achieved through a number of activities to encourage the use of sustainable travel modes and ensure new developments
- 6.2 A number of projects were progressed in 2016/17 that will help reduce congestion and promote a shift to more sustainable modes of transport in Cambridge, including a number of major projects being implemented through the Greater Cambridge Partnership (formerly the City Deal):
- The Chisholm Trail off-road walking and cycling route. Phase 1 of the scheme has been granted planning consent and other inter-related work on the Chesterton-Abbey bridge project is anticipated to be completed by the end of 2018.

- The cross-city cycling project. The Hills Road/ Addenbrooke's corridor scheme is expected to be completed in 2017, with the four other schemes anticipated for completion in 2018 or 2019.
- Madingley Road and A428-M11 – A shortlist of Park & Ride sites have been approved for public consultation and further development work is progressing on alignment options for the corridor.

6.3 Other projects delivered in 2016/17 which will promote a shift to sustainable transport included:

- Action 3.5: Installing electric charging points for taxis. In 2017, the Government announced that Cambridge has been chosen as one of 10 cities in the UK to be awarded funding to install new rapid electric charging points for taxis. The council was successful in its bid for funding and has been awarded £426,000 by OLEV (Office for Low Emission Vehicles) to install 18 rapid charge points and 3 fast charge points over the next 3 years. 25% match funding of £100,000 was required and was provided by the Greater Cambridge Partnership (formerly the City Deal). The Council is also funding the installation of a number of additional charging points for taxis.
- Action 3.3: Using the Council's powers as the taxi licensing authority to encourage taxi drivers to drive low-emission vehicles in a number of ways, including by offering them discounts and fee exemptions if they adopt petrol/electric hybrid vehicles or fully electric vehicles. The Council has set a target for all taxis in Cambridge to be hybrid or fully electric within 10 years.
- Action 3.6: Using planning policy for major developments, to secure car club spaces as part of the Clay Farm development (1 space for each of the 3 character areas with additional spaces in high demand areas). Car club spaces will also be delivered as part of the new local centre at Trumpington Meadows, and a minimum of 12 car club spaces at the University of Cambridge's North West Cambridge development have been secured through the use of a planning condition.
- Action 3.7: Contributing funding to the Travel for Cambridgeshire (T4C) partnership, which works with employers to develop workplace travel and implement measures to reduce

drive alone commuting and business travel. In 2016/17 the partnership worked with 156 employment sites in Cambridge which employ in excess of 83,000 commuters.

- Writing to all schools in Cambridge in July 2017 to encourage them to communicate to students and parents the importance of switching off their engines at drop-off and pick up times to reduce unnecessary idling outside schools. Links to nationally available guidance and resources was included in the letters. The Council is currently developing a new Air Quality Action Plan for Cambridge and one of the areas that is under consideration is how to address the issue of traffic idling in Cambridge more generally.

## **7. Progress in delivering the key actions under Objective 4:**

- 7.1 Objective 4 of the Climate Change Strategy, 'Reducing consumption of resources, increasing recycling and reducing waste' is being achieved through encouraging residents to recycle more of their waste, grow and purchase sustainable food and helping businesses to recycle their food waste.
- 7.2 The Council has taken a number of actions to promote sustainable food in Cambridge during 2016/17. For example:
- Action 4.1: The Council has been an active member of the Cambridge Sustainable Food Network and has supported them to gain Sustainable Food City status - Bronze award in April 2016. The award is subject to renewal every 3 years by the national Sustainable Food City parent body. Cambridge Sustainable Food is keen to improve food sustainability in the City and is looking to apply for the Silver Award in 2019, which has more challenging targets for local partners to achieve. Preparations for this submission are presently being undertaken.
  - Action 4.2: The 300 existing allotments managed by the Council will be increased with the addition of approximately 450 plots at the new development sites at Clay Farm, Trumpington Meadows, Glebe Road and Nine Wells, which are expected to be transferred in 2017/18.

- Action 4.4: As part of the Cambridge Sustainable Food Network an action plan was developed including a programme of cooking skills projects for residents around the city, with a focus on cooking healthy, sustainable meals. 171 adults and children have completed six-session cookery skills courses, plus one off sessions.
- Action 4.5: The Council actively supports the Cambridgeshire Healthier Options Programme, which promotes health and sustainable produce to food businesses, in conjunction with neighbouring Cambridgeshire authorities. The Council advises businesses during routine inspections to gauge interest, and then supports them in applying. The Council also undertakes assessment visits and ensures they are listed on the website once they have passed. There are currently 4 businesses in Cambridge that have achieved the award: [www.healthier-options.org.uk/members](http://www.healthier-options.org.uk/members).

7.3 The Council has carried out a number of campaigns to promote recycling to residents and businesses during 2016/17. These have included:

- Action 4.6: promoting the Council's new food waste collection service to food-related businesses, which has resulted in 405 tonnes of waste food being diverted from landfill in 2016/17.
- Action 4.8: The Council is supporting Cambridge Sustainable Food which includes supplying them with food collection caddies and leaflets for various events. We will be working with them to promote the Pumpkin Festival. We are promoting both Recycle Week and Zero Waste Week this autumn.

## **8. Progress in delivering the key actions under Objective 5:**

8.1 Objective 5 of the Climate Change Strategy, 'Supporting Council services, residents and businesses to adapt to the impacts of climate change' aims to improve the resilience of the Council and the city to extreme weather events and is being embedded through a number of projects:

- Action 5.2: Surface water flooding and river flooding is a significant risk for Cambridge and will become more frequent and more damaging. The Council is working with developers to



secure installation of sustainable drainage systems to mitigate the impacts of new developments and is retrofitting property level flood protection at some properties. For example, in the Nine Wells residential development a number of SuDS features have been installed such as, filter drains, swales, wet ponds and dry ponds. They have been carefully designed so that the SuDS form part of a multifunctional space. Any proposed new City Council developments will also contain SuDS, such as the proposed Mill Road development.

- Action 5.3: Continuing to work with partners in the Cambridgeshire Flood Risk management partnership to manage climate change-related flood risks. Key actions have included:
  - Including a policy on flood risk management and the role of Sustainable Drainage Systems (SuDS) in the Cambridge Local Plan, due to be adopted in late 2017/2018
  - The Cambridgeshire Flood and Water Supplementary Planning Document (SPD), to provide guidance to developers, was approved as a material consideration in December 2016 and will be adopted as an SPD on adoption of the new Local Plan.
  
- Action 5.5: The Council has provided advice to residents in Cambridge Matters on how to cope in extreme weather events such as heat waves, with links to further advice on the NHS heatwave website.
  
- Action 5.6: In 2016/17 we planted 220 new trees on our land and our 'Free Trees for Babies' scheme provided 230 trees in the year to new parents. 211 trees were removed in 2016/17. A new tree strategy was produced in July 2016 which details how we will manage the 30,200 council-owned and managed trees and protect and enhance the rest of the urban forest. An action plan to implement the Strategy was completed in January 2017. 56 actions relate to protection, management and enhancement of the urban forest and are on-going. Funding was secured in 2017 to plant 250 trees on council-owned and managed land, making the tree population sustainable.
  
- Action 5.10: Using the recently published UK Climate Change Risk Assessment 2017, we are developing an evidence base to provide a better understanding of the main climate risks facing

the Council and the city and the adaptation actions that will have the greatest benefit.

8.2 The Council is also a member of the Local Adaptation Advisory Panel Steering Group, which works with Government departments to integrate climate change adaptation into national policy and the work of local authorities including informing the next National Adaptation Programme.

## **9. Sustainable City Fund**

9.1 We have continued to work with local voluntary and community groups during 2016/17 and helped build their capacity to undertake activities to address climate change in Cambridge. The priorities for the Sustainable City Fund included:

1. Reducing energy consumption and emissions from homes and businesses in Cambridge
2. Reducing consumption of resources, increasing recycling and reducing waste
3. Supporting residents and businesses to adapt to the impacts of climate change

9.2 During 2016/17 the fund provided a total of £28,000 in grants to 4 local environmental groups, supporting 6 projects which have enabled local residents to:

- learn how to improve their home's energy efficiency
- become aware of emissions from food production, processing, packaging, transport and waste,
- reduce food waste-related greenhouse gas emissions
- develop skills and spaces for residents to grow their own food.
- grow fresh, healthy fruit and vegetables.
- reduce the waste of manufactured goods
- learn how to repair and reuse household items

SMEs were also helped to monitor their food waste and encouraged to reduce it through an award scheme.

## **10. City Leaders Climate Change Meeting**

10.1 Following the amendment agreed at Strategy and Resources Committee: 'to consider convening and leading a City Leaders

Climate Change Group (comprising businesses, other major employers, voluntary and community sector) to establish a collective and mutually supportive approach to reduce the city's carbon footprint and agree an inspiring goal which the whole city can identify with and participate in' in July 2017 we convened an initial exploratory City Leaders Climate Change meeting.

10.2 Invitees included Members and senior officers of the local councils, the Universities, leaders of local businesses, and voluntary and community groups to share information on activity that is already taking place in the city and discuss additional activities that could be worked on in partnership. We are taking forward the suggested actions, including a number of themed follow up meetings and events in 2017/18 to be organised by partners including Anglia Ruskin University and Addenbrooke's in order to further develop collaborative activity between the various stakeholders in Cambridge.

## **11. Implications**

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

Funding for projects included in the Carbon Management Plan (which is the primary vehicle for delivering Objective 1 of the Strategy) will come from a number of different funding sources, including the Climate Change Fund and existing General Fund or Housing Revenue Account (HRA) budgets for delivering services.

The actions contained in the Climate Change Strategy will be funded through:

- Existing budgets for delivering key services, particularly for projects or actions that will deliver climate change benefits as part of wider planned developments or improvements to key services. These fall within the General Fund or the HRA depending on the services involved.
- Government and other external funding sources for climate change initiatives.

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

Lead officers have been identified for projects in the Climate Change Strategy and Carbon Management Plan who have the capacity to deliver

the projects within the stated timescales. The Climate Change Officer will manage and co-ordinate the overall delivery of the Carbon Management Plan, with support from the Environment Policy Group, which is a corporate group that includes many of the lead officers.

**(c) Equality and Poverty Implications**

An Equalities Impact Assessment (EqIA) of the aims and objectives was carried out when the Climate Change Strategy and the Carbon Management Plan were developed. This did not identify any specific negative impacts, but further Equality Impact Assessments may be undertaken for individual projects. For example, an EQIA was carried out for the developing Local Plan.

**(d) Environmental Implications**

The Climate Change Strategy and the Carbon Management Plan will have a high positive impact on the environment by setting out a planned approach to: reducing the Council's carbon emissions; setting high standards for residents, businesses and organisations to reduce their carbon emissions and manage climate risks; and working in partnership with, influencing and learning from other organisations to address the causes and effects of climate change.

**(e) Procurement**

The Climate Change Strategy includes one action relating to procurement, which focuses on improving the Council's contract management processes to ensure that contractors deliver the sustainability requirements of contracts.

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

In the latter case, the Council signed access agreements to allow it to make use of the Greater London Authority's (GLA) RE-FIT framework agreement specifically designed for energy performance contracting. This allowed us to access Bouygues Group PLC as a contractor to identify and deliver energy efficiency projects. The principle benefit of this arrangement is that Bouygues have guaranteed the energy savings

predicted for projects that they deliver for the Council (subject to the new equipment being managed within defined limits).

Bouygues have implemented two major projects included in the Carbon Management Plan (LED lighting installations at the Grand Arcade Car Park and Grafton East Car Park) under RE:FIT framework and are implementing a package of energy efficiency and renewable energy measures at the Guildhall during 2017/18.

**(f) Consultation and communication**

Public consultation was carried out on a draft version of the Climate Change Strategy for 13 weeks, starting on 14 October 2015 and finishing on 12 January 2016. The views expressed by respondents to the consultation were taken into consideration in developing the final strategy and were presented to the Executive Councillor and members of the Environment Scrutiny Committee before the Strategy was approved.

**(g) Community Safety**

The Climate Change Strategy and Carbon Management Plan have minimal impact on Community Safety.

## **12. Background papers**

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

- Cambridge City Council Climate Change Strategy 2016-21
- Cambridge City Council Carbon Management Plan 2016-21

Both documents can be viewed on the Council's website at:

[www.cambridge.gov.uk/our-work-towards-a-sustainable-cambridge](http://www.cambridge.gov.uk/our-work-towards-a-sustainable-cambridge)

## **13. Inspection of papers**

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

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## **14. Appendices**

- Appendix A – Details of Carbon Management Plan projects implemented in 2016/17
- Appendix B - Details of Carbon Management Plan projects installed/ to be implemented in 2017/18
- Appendix C – Details of the Carbon Management Plan projects proposed for investigation and implementation during 2018/19
- Appendix D - Carbon Management Plan projects that have been removed
- Appendix E – Climate Change Fund expenditure up to August 2017

Appendix A: Details of Carbon Management Plan projects implemented in 2016/17											
No.	Service area	Building Type	Project	Installation/ completion date	Capital cost (£)	Climate Change Fund contribution (£)	Funding contribution from other sources (£)	Estimated annual energy savings (kWh)	Estimated annual carbon savings (tCO <sub>2</sub> )	Estimated annual financial savings (£)	Payback
<b>COMPLETED</b>											
4	Car Parks	MSCP	Grand Arcade Main Car Park: Replace existing lighting with LED.	October 2016	£189,227	£189,227	-	304,937.00	165	£27,307	6.9
5	Car Parks	MSCP	Grafton East Car Park: Replace existing lighting with LED.	October 2016	£131,771	£131,771	-	212,125.00	116	£18,856	7.0
8	Estates & Facilities	Crematorium	Crematorium: Upgrade loft insulation.	March 2017	£1,478	£1,478	-	3,218.37	0.6	£100	14.8
Page 147	Estates & Facilities	Office Building	North Area Housing Office: Improve boiler controls. Measures could include optimum start controls or heating sequencing	March 2017. Boilers were also replaced with energy efficient condensing boilers	£786	-	£786	6,436.73	1.2	£200	3.9
	19	Fleet	Vehicles	Vehicle fleet: Replacement of fleet vehicles, including 7 electric vans and 6 fuel efficient vans and trucks	7 diesel vehicles replaced with electric vans procured and added to fleet (9 now on fleet in total). 2 more fuel efficient diesel vans added to fleet. Others not yet delivered due to type approval problems with Euro 6 compliant legislation	£420,000	-	£420,000	N/A	11.7	£4,332.16
<b>TOTALS:</b>					<b>£743,262</b>	<b>£322,476</b>	<b>£420,786.02</b>	<b>526,717.10</b>	<b>295</b>	<b>£50,795</b>	

Appendix B: Details of Carbon Management Plan projects installed/ to be implemented in 2017/18												
No	Service Area	Building Type	Project	Scheduled date/ expected month of delivery	Installation/ completion date	Estimated capital cost (£)	Climate Change Fund contribution (£)	Funding contribution from other sources (£)	Estimated annual energy savings (kWh)	Estimated annual carbon savings (tCO <sub>2</sub> )	Estimated annual financial savings (£)	Payback (years)
<b>COMPLETED</b>												
11	Sport & Leisure	Swimming Pools	Abbey Pools: Solar thermal upgrade and upgrade of the hot water calorifiers - to utilise more of the heat in the hot water system	N/A	July 2017	£48,700	£40,000	£8,700	114,938.00	21.2	£4,597.51	10.6
Page 148	Sport & Leisure	Swimming Pools	Abbey Pools: Upgrade and replacement of air handling unit with a new air plant circulation system and heat recovery technology.	N/A	July 2017	£78,377	-	£78,377	737,071.16	148.4	£25,208.00	3.1
	<b>PROGRESS</b>											
Page 148	Fleet	Vehicles	Vehicle fleet: Replacement of further fleet vehicles with electric vans and fuel efficient vans and trucks	TBC	TBC	£2,436,000	-	£2,436,000	N/A	30.00	TBC	TBC
	Progress	Procurement exercise underway. 19 panel vans will be replaced in Estates & Facilities. 1 of these will be electric. Other 18 will be Euro 6 emissions compliant replacing Euro 4. 2 caged tippers will be replaced in Streets & Open Spaces, these will be diesel. 9 refuse trucks being replaced in Shared Waste Service - Euro 6.										
9	Estates & Facilities	Sheltered Housing	School Court: Replace existing heating systems with separate communal and flat heating systems.	Oct-17	TBC	£450,000	-	£450,000	25,000	4.6	£1,000	450
	Progress	Commenced. Due to be complete in September/ October 17.										
<b>DUE TO COMMENCE</b>												
16	Estates & Facilities	Office buildings	Mandela House: Replace existing lighting with LED and combined motion/light sensors.	Mar-18	TBC	£150,000	£50,000	100,000	52,359.42	24.2	£5,000	30.0
	Progress	Due to commence as part of refurbishment project - September 2017										



17	Estates & Facilities	Office buildings	Mandela House: Upgrade to condensing boiler and pipework and valve insulation	Mar-18	TBC	£60,000	£9,000	£51,000	82,604.73	15.4	£2,500	24.0
	Progress	Due to commence as part of refurbishment project - September 2017										
<b>IN DEVELOPMENT</b>												
	Estates & Facilities	Office buildings	Guildhall: Building automation. Implementation of a number of measures to increase the level of control over the heating systems, including installing a Building Energy Management System (BEMS).	Sep-17	TBC	£37,785	£37,785	-	174,497.45	32.5	£5,196	7.3
	Progress	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										
14	Estates & Facilities	Office buildings	Guildhall: Replace more than 670 existing light fittings with low energy LED light fittings and automation	Sep-17 onwards	TBC	£76,731	£76,731	-	76,528.00	29.4	£8,081	9.5
	Progress	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										
	Estates & Facilities	Office buildings	Guildhall: Mechanical works improve the energy efficiency of the heating and hot water systems. Includes installing a plate heat exchanger to replace the existing large hot water tanks, and boiler head modifications to improve the efficiency of the heating boilers.	Sep-17 onwards	TBC	£46,945	£46,945	-	89,659.00	16.5	£2,496	18.8
	Progress	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										

	Estates & Facilities	Office buildings	Guildhall: Installation of a Combined Heat and Power (CHP) unit - uses gas to generate electricity which will be used on site and utilises heat generated through the electricity generation process.	Sep-17 onwards	TBC	£64,779	£64,779	-	-23,944.00	14.7	£6,631	9.8
	Progress	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										
1	Estates & Facilities	Office buildings	Guildhall: Replacement of roofing and additional insulation	Sep-17 onwards	TBC	£100,502	-	£100,502	60,980.00	11.2	£1,765	50.0
	Progress	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										
2	Estates & Facilities	Office buildings	Guildhall: Install 30kW solar photovoltaic system	Sep-17 onwards	TBC	£33,180	£33,180	-	24,450.00	9.4	£2,582	12.9
	Progress	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										
	Estates & Facilities	Office buildings	Guildhall: Insulation of pipework and valves in plant rooms.	Sep-17 onwards	TBC	£7,778	£7,778	-	24,597.00	4.5	£712	10.9
	Progress:	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										
	Estates & Facilities	Office buildings	Guildhall: Secondary glazing installed	Sep-17 onwards	TBC	£29,337	-	£29,337	5,658.67	1.0	£170	172.8
	Progress	Will be completed as part of single package of works at the Guildhall procured by the Council through the County-wide RE:FIT framework										
					<b>TOTALS:</b>	<b>£3,620,114</b>	<b>£366,198</b>	<b>£3,253,916</b>	<b>1,444,399</b>	<b>363.1</b>	<b>£65,937</b>	

Appendix C: Details of the Carbon Management Plan projects proposed for investigation and potential implementation during 2018/19												
No.	Service area	Building Type	Project	Scheduled date/ expected month of delivery	Installation/ completion date	Estimated capital cost (£)	Climate Change Fund contribution (£)	Funding contribution from other sources (£)	Estimated annual energy savings (kWh)	Estimated annual carbon savings (tCO <sub>2</sub> )	Estimated annual financial savings (£)	Payback (years)
	Sport & Leisure	Swimming Pools	Parkside Pool: Solar PV or Solar Thermal system	Feasibility Study outcomes - December 2017	TBC	TBC	TBC	-	TBC	TBC	TBC	TBC
	Progress:	Feasibility study to be undertaken as to the size and capacity of either Solar Thermal or Solar PV or combo of both which could be installed.										
	Sport & Leisure	Swimming Pools	Kings Hedges Pool: Biomass boiler	Feasibility Study outcomes - December 2017	TBC	TBC	TBC	-	TBC	TBC	TBC	TBC
	Progress:	Feasibility study to be undertaken if a Biomass boiler would be a suitable installation to provide heat to Kings Hedges Learner Pool and the industrial units within the Jedburgh Court complex - approximately 6 units										
Page 151	Sport & Leisure	Leisure Site	Corn Exchange: Heating and Lighting Improvements	Feasibility Study outcomes - March 2018	TBC	TBC	TBC	-	TBC	TBC	TBC	TBC
	Progress:	Feasibility study on what energy saving measures could be fitted into the Corn Exchange to include items such as a Solar PV installation on the roof, LED lighting through the facility and new boilers and a new heating and ventilation system for the main auditorium and back office spaces.										
			Vehicle fleet Replacement of further fleet vehicles	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
10	Estates & Facilities	Sheltered Housing	Ditton Court & Rawlyn Court: Replace communal lighting with LED equivalent	TBC	TBC	£30,000	-	£30,000	31,372.38	14.5	£3,000	10.0
13	Estates & Facilities	Temporary Housing	Lighting improvements, including: a) replacing communal lighting with LED equivalent at New Street hostel, b) installing PIR motion sensor controls to hallway lighting at New Street hostel, c) replacing kitchen lighting with LED	TBC	TBC	£4,000	-	£4,000	1,730.89	0.8	£500	8.0

			equivalent at 116 Chesterton Road									
18	Estates & Facilities	Sheltered Housing	Stanton House: Replace existing heating systems with separate communal and flat heating systems.	TBC	TBC	£150,000	-	£150,000	25,000	4.6	£1,000	150
	Progress	Following completion of similar project at School Court in 2017/18 - potential project for 2018/19 subject to findings of a feasibility study.										
<b>Details of the Carbon Management Plan project proposed for investigation and potential implementation during 2019/20</b>												
	Car Parks	MSCP	Grand Arcade Main Car Park: Air Handling Unit Replacement	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
					<b>TOTALS:</b>	<b>£184,000</b>	<b>£0</b>	<b>£184,000</b>	<b>58,103</b>	<b>19.9</b>	<b>£4,500</b>	

<b>All Years Projects</b>												
Page 152	Service area	Project	Scheduled date/ expected month of delivery	Installation/ completion date	Estimated capital cost (£)	Climate Change Fund contribution (£)	Funding contribution from other sources (£)	Estimated annual energy savings (kWh)	Estimated annual carbon savings (tCO <sub>2</sub> )	Estimated annual financial savings (£)	Payback (years)	
	All sites	All sites - Ensure that programming of heating systems at all sites reflects current building usage patterns	To be carried out in 2017/18 following Office Accommodation Strategy moves.	TBC	Staff time	-	-	164,673.07	30.7	£5,000	1.0	
21	All sites	All sites - Energy efficiency awareness campaigns, e.g. switch off campaigns	Communication Strategy developed. Poster and stickers designed and will be rolled out across Council sites in 2017/18.	TBC	Staff time	-	-	?	24.2	£5,000	1.0	
22	All sites	All sites - Building manager energy efficiency training.	TBC	TBC	Staff time	-	-	?	27.5	£5,000	1.0	
				<b>TOTALS:</b>				<b>164,673</b>	<b>82</b>	<b>£15,000</b>		

**Appendix D: Carbon Management Plan projects that have been removed**

No.	Service Area	Building Type	Project	Scheduled date/ expected month of delivery	Estimated capital cost (£)	Climate Change Fund contribution (£)	Funding contribution from other sources (£)	Estimated annual energy savings (kWh)	Estimated annual carbon savings (tCO <sub>2</sub> )	Estimated annual financial savings (£)	Payback (years)
6	Sport & Leisure	Community Centres	Meadows Centre - Lighting improvements, including replacing hallway and other lighting with LED equivalent, and installing PIR motion sensor controls to lighting in hallways and meeting rooms.	N/A - REMOVED: following Community Centres Review.	£8,500	£8,500	-	15,794.37	7.3	£1,500	5.7
7	Sport & Leisure	Community centres	Buchan Street Neighbourhood Centre - Replace lighting with LED lighting	N/A - REMOVED: following Community Centres Review.	£4,000	£4,000	-	2,163.61	1	£200	20.0
Page 153	Estates & Facilities	Temporary Housing	New Street hostel: Install external wall insulation.	N/A -All external wall insulation schemes are currently on hold following the Grenfell fire.	£80,000	-	£80,000	18,181.00	12.2	£2,000	40.0
				<b>TOTALS:</b>	<b>£12,500</b>	<b>£12,500</b>	<b>£0</b>	<b>17,958</b>	<b>8.3</b>	<b>£1,700</b>	

Appendix E: Climate Change Fund expenditure up to August 2017

(All figures £s)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Cumulative funding available at the beginning of the financial year</b>	<b>(250,000)</b>	<b>(243,900)</b>	<b>(207,465)</b>	<b>(383,145)</b>	<b>(396,269)</b>	<b>(409,749)</b>	<b>(347,100)</b>	<b>(347,100)</b>	<b>(347,100)</b>	<b>(144,624)</b>	<b>(78,426)</b>
<b>Additional contribution to Fund</b>			<b>(250,000)</b>	<b>(184,770)</b>	<b>(129,050)</b>				<b>(120,000)</b>	<b>(300,000)</b>	
<b>Total surplus available at the beginning of the financial year after additional contributions</b>	<b>(250,000)</b>	<b>(243,900)</b>	<b>(457,465)</b>	<b>(567,915)</b>	<b>(525,319)</b>	<b>(409,749)</b>	<b>(347,100)</b>	<b>(347,100)</b>	<b>(467,100)</b>	<b>(444,624)</b>	<b>(78,426)</b>
Pilot of Electric Bin Lifts	2,100										
Chesterton Road Toilet Modernisation	900										
Corn Exchange Christmas Lighting Lamps	600										
Arbury Court WC Rainwater Harvesting	2,500										
Romsey Rec Rainwater Harvesting		2,500									
Energy Audit of Pools & Leisure Centres		3,750									
Grand Arcade Annex Car Park Fan system		21,700									
Public Conveniences & Park St Car Park Energy Survey		2,730									
Watercourses Flood Risk Survey			4,510								
Community Centres Energy Audits		2,995									
Corn Exchange LED lighting		2,760									
LED Lighting at the Grand Arcade Annex Car Park				100,000	(5,900)						
Mill Road water efficiency (1)			36,000								
Mill Road water efficiency (2)			11,700								
Replacement boiler - Barnwell House			3,150								
Guildhall Voltage optimisation			17,960								
Market Stall LED lighting			1,000	12,030							
Market Stall LED lighting -Balance Returned to Fund				(12,030)							
Tree Canopy Study				10,870	4,130						
Community Centres energy efficiency measures				9,800							
Heat recovery at the Crematorium				11,600							
Water and energy saving measures in changing rooms at Parkside Pool				35,000							
LED audit of multi-storey car park lighting				5,420	1,080						
Refund from Power Perfector for Voltage Optimisation at Guildhall				(1,044)							
CM Plan Ref 17: Voltage Optimisation at Mandela House (capital bid C2736 refers). <b>Including £3,223 of additional IT costs.</b>						21,960					
CM Plan Ref 11: Voltage Optimisation at Grafton East Car Park. <b>Including additional £900 for Parkeon to be onsite.</b>						13,921					
CM Plan Ref 22: Corn Exchange LED House Lights					25,700						

CM Plan Ref 12: Abbey VSD and BMS (38177)					24,650					
CM Plan Ref 16: Parkside VSD and BMS					42,640					
CM Plan Ref 15: Pool covers for Abbey and Parkside and consequent changes to heating system					23,270					
CM Plan Ref 30: Upgrade to LEDs & lighting controls in Grafton West Car Park						30,000				
Voltage Optimisation rebate for Mandela House and Grafton East Car Park						(3,232)				
Replacing the remaining boilers at the Meadows and Ross Street community centres with condensing boilers										
Grand Arcade Main Car Park - Replace existing lighting with LED.								189,227		
Grafton East Car Park - Replace existing lighting with LED.								131,771		
Crematorium - Upgrade loft insulation.								1,478		
Abbey Pools - Adjustments to hot water system to allow excess heat generated by the existing solar thermal system to be used to heat hot water for showers									40,000	
Mandela House - Replace existing lighting with LED and combined motion/light sensors.									50,000	
Mandela House - Upgrade to condensing boiler and pipework and valve insulation									9,000	
Guildhall - Building automation. Implementation of a number of measures to increase the level of control over the heating systems, including installing a Building Energy Management System (BEMS).									37,785	
Guildhall - Replace more than 670 existing light fittings with low energy LED light fittings and automation									76,731	
Guildhall - Mechanical works improve the energy efficiency of the heating and hot water systems. Includes installing a plate heat exchanger to replace the existing large hot water tanks, and boiler head modifications to improve the efficiency of the heating boilers.									46,945	
Guildhall - Installation of a Combined Heat and Power (CHP) unit - uses gas to generate electricity which will be used on site and utilises heat generated through the electricity generation process.									64,779	
Guildhall - Install 30kW solar photovoltaic system									33,180	

Guildhall - Insulation of pipework and valves in plant rooms.										7,778	
<b>Spend by year</b>	<b>6,100</b>	<b>36,435</b>	<b>74,320</b>	<b>171,646</b>	<b>115,570</b>	<b>62,649</b>	<b>0</b>	<b>0</b>	<b>322,476</b>	<b>366,198</b>	<b>0</b>
<b>Balance remaining at the end of each year</b>	<b>(243,900)</b>	<b>(207,465)</b>	<b>(383,145)</b>	<b>(396,269)</b>	<b>(409,749)</b>	<b>(347,100)</b>	<b>(347,100)</b>	<b>(347,100)</b>	<b>(144,624)</b>	<b>(78,426)</b>	<b>(78,426)</b>
Those projects shown in highlighted cells are projects that are included in the Council's Carbon Management Plan 2011-2016											
Those projects shown in highlighted cells are projects that are included in the Council's Carbon Management Plan 2016-2021											





To: Councillor Richard Robertson Executive Councillor  
for Finance and Resources

Report by: Heidi Parker

Relevant scrutiny  
committee: Strategy & 9/10/2017  
Resources  
Scrutiny  
Committee

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

## **PROCUREMENT OF VARIOUS CORPORATE FRAMEWORKS & DYNAMIC PURCHASING SYSTEMS Key Decision**

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### **1. Executive summary**

As proposed by the New Contract Procedure Rules (CPR), the Council is seeking to establish a number of corporate arrangements for purchasing goods, services and works. These arrangements have been identified as being necessary based on the requirements being purchased across the Council and the aggregated spend, (by supplier and category) over the past 3 years. Some of them have been identified as contributing to the remaining savings commitments of the Support Services Review.

The proposed contracts are

Frameworks &/ or Dynamic Purchasing Systems, covering

- Construction Consultants
- Construction Works (individuals orders under £1,000,000)
- Civils, Landscaping & Play equipment Framework (Individual orders under £500,000)
- General Consultants
- Construction Trades
- Staff Training (professional bodies & general requirement)
- Fleet Maintenance (vehicle parts, consumables, tools & external servicing)

## 2. Recommendations

The Executive Councillor is recommended:

a) Frameworks

To agree to the publication of an advert, to invite suppliers to submit a tender and following evaluation and completion of a tender report, delegate authority to the relevant Director, to appoint the successful suppliers onto the framework (subject to compliance with the CPR)

b) Dynamic Purchasing Systems (DPS)

To agree the publication of an advert, to invite suppliers to complete a Standard Selection Questionnaire from which they will be added to the 'approved list'

c) To agree a staggered advertisement of the contracts to facilitate resourcing and re-procurement

d) To agree award of any requirements let through the corporate contracts to be approved (and contracts signed) in accordance with the CPR.

## 3. Background

In 2016/17 the council used 1780 suppliers with whom we spent £90 million. Within that, 1560 suppliers had a total spend of less than £25k spends, often purchasing similar requirements that could be consolidated.

In many cases, suppliers are being used by multiple cost centre managers as low value purchases, which when aggregated for the year, are causing the council to be in breach of the necessary advertising requirements.

An example of this being

Company X (structural engineers) –

- 14 cost centre managers have used them across the council,
- 75 invoices/ orders,
- £161k total spend (in one year),
- the largest single user spent £52k, and
- the largest single order was £24,800

*(We used another two structural engineers with a total spend of £3k)*

This pattern can be observed across multiple categories and in particular, is observed in all of the proposed frameworks/ DPSs listed above.

Historically, the processes being applied have been inconsistent, with purchases being based on just price or three quotes and little attention being paid to quality or standardisation of rates or service. The new rules and the new requirement to advertise further supports the rational for a

framework which will then facilitates a direct draw-down option which is more efficient for officers.

In addition to the 2016/17 spend, the previous 2 years have also been reviewed and the same issues observed. The relevant cost centre managers and Heads of Service have been consulted on historic spend and future requirements.

Based on the example above, the proposed contracts would aim to

- ensure compliance with legal & council advertising requirements (PCR2015)
- Streamline the task of placing orders (with the option to either apply a direct call-off/ rotation or if deemed beneficial, carry out a mini competitions)
- reduce the number of suppliers being used (ideally by 1/3)
- Ensure the Living Wage is being included in all relevant contracts
- Ensure SMEs have an opportunity to work with the Council; supported through local supplier events which address the process and council requirements
- facilitate direct, long-term relationships with the 'experts' (restrict subcontracting)
- Standardise quality of service
- Standardise price and achieve economy of scale on rates charged
- Deliver anticipated savings of 5% based on current levels of spend

For each of the Frameworks/ DPSs a working group will be established to ensure everyone's requirements are met and the specifications meet the needs of the council. As part of this review officers will be asked to provide evidence of current rates being paid to facilitate benchmarking of prices return and to ensure the contracts will deliver value for money.

## **4. Implications**

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

This procurement has been allocated £25,000 from the business transformation fund to assist with resourcing the significant work load in delivering this number of large contracts.

As part of the tender evaluation process, current prices will be compared with the tendered prices to identify savings achieved through the investment in resources

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

A new procurement support officer role has been defined and will be advertised as a 9 month fixed term contract so as to support the timescales associated with EU procurements.

**(c) Equality and Poverty Implications**

These contracts will cover a variety of projects which at this point are unknown.

EQIAs are to be completed for the specific projects once the relevant information is known.

The Frameworks will be established to support SMEs and the local economy

**(d) Environmental Implications**

These contracts will cover a variety of projects which at this point are unknown. Climate change ratings are to be calculated for the specific projects once the relevant information is known.

The Frameworks will be established to support SMEs and were required, local operators which will aim to help reduce our carbon footprint.

**(e) Procurement**

This report is being issued by Procurement and the delivery and monitoring of the Frameworks will be managed by the Procurement team.

**(f) Consultation and communication**

Services and cost centre managers who currently spend under the contracts listed above have been advised of this proposal and invited to participate on the relevant contract project group.

The strategy of corporate contracting has been through Civic affairs and the Council Committee cycle.

The details of the project Groups has been advised to Heads of Services and will be notified in Management Matters, along with direct invites where a known requirement exists.

**(g) Community Safety**

None

## **5. Background papers**

Spend data 14/15, 15/16, 16/17

Support Services Review report to Strategic Leadership Team.

## **6. Appendices**

none

## **7. Inspection of papers**

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

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

Report by: Debbie Kaye, Head of Community Services

Relevant scrutiny  
committee: Strategy & 9/10/2017  
Resources  
Scrutiny  
Committee

Wards affected: All Wards

### **PUBLIC SPACES PROTECTION ORDER (TOUTING) 2016: FIRST YEAR OPERATION REVIEW Not a Key Decision**

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#### **1. Executive summary**

1.1 This report reviews the impact of the Public Spaces Protection Order (PSPO) (Touting) 2016 since its implementation in September last year. It considers the successful enforcement outcomes and also the challenges and perceptions encountered in enforcing the order. It also looks at the complaints and observations received from the public and the public perception of what the order could achieve to address the issues of punt touting. The report examines the way forward to address the public concerns over touting. It also looks at the enforcement of the PSPO and makes recommendations on the options for the future.

#### **2. Recommendations**

2.1 The Executive Councillor is recommended:

- To continue with the PSPO as it is, and;
- To increase and improve the levels of enforcement ,
- To improve the communications to the public around successful prosecutions and further raise awareness around the purpose and intent of the PSPO,
- To look at the potential to amend and expand the restricted area,
- To review in full the impact of the increased enforcement next October.

- 2.2 The Executive Councillor is asked to note the wider injunction action underway by the Council with the intention to remove the ability of unauthorised punt companies to operate from Garret Hostel Lane and other areas on the river, which if successful, will lead to a reduction in the number of punt touts in nearby city areas and cut levels of unnecessary punt touting.

### **3. Background**

- 3.1 In seeking to address the issues presented by touts who sell punt tours, the Executive Councillor approved a Public Spaces Protection Order (Touting) 2016 on 4<sup>th</sup> July 2016 (Appendix A).

- 3.2 The activities prohibited by the order are verbally:

- i) advertising or
- ii) soliciting for custom or
- iii) otherwise touting for

a punt tour or the hire or use of punts boats or similar craft on the River Cam (including any walking tour which includes or involves, whether or not for consideration, a punt tour or hire or use of punts boats or similar craft on the River Cam). The order applies within a restricted area as shown on the map labelled 'The Restricted Area' (Appendix A).

- 3.3 The order does not apply to those cross-hatched shaded areas as identified on the attached map labelled 'Excepted Areas' provided that the activities are carried out with the authority of, and by or on behalf of, a punt operator whose vessels are licensed for commercial purposes by the Conservators of the River Cam (Appendix A).
- 3.4 The order was approved, following extensive public consultation, to address the issues presented by touts who sell punt tours. The details of both the consultation and the issues the order is intended to address are contained in the report Public Spaces Protection Order - Punt and Tour Touting to Strategy and Resources Committee in July 2017.
- 3.5 The Executive Councillor requested a review of the impact of the order after a twelve month period. This report reviews the impact of the PSPO (Touting) 2016 from its implementation on 15<sup>th</sup> September 2016 and makes recommendations for the future.

### Public perceptions, complaints and observations – post implementation



- 3.6 The Council received 121 complaints, inquiries and observations about touting since the implementation of the PSPO. The contacts cover a range of issues relating to touting including, the number of touts present in certain areas, aggressive behaviour of touts, perceived inadequate or lack of enforcement of the order and displacement of touts. An anonymised summary of the contacts with the Council in relation to the PSPO is contained in Appendix B.
- 3.7 The majority of the contacts were reporting the presence and number of touts in King's Parade and around Great St Mary's Church. Many of these included complaints about blocking the pavement and harassing the public. There were 16 complaints of aggressive or rude touts. There were 15 complaints or observations about the perceived lack of enforcement and a number of questions about how the enforcement should work. Displacement to the station area was also of concern.
- 3.8 It has not been widely understood that the order prohibits verbal touting only and does not prohibit the actual presence of touts. The methods of communication to the public explaining what the order prohibits and what areas it covers have been largely unsuccessful in conveying the message.

### Enforcement Outcomes

- 3.9 The Council has 6 enforcement officers on the streets who monitor the behaviour of punt touts and who can issue fixed penalty notices on breach of the order. Police patrols can also issue fixed penalty notices for breaches. Enforcement officers are working at weekends and other peak times, but enforcement officers have a range of demanding responsibilities not limited to punt touting.
- 3.10 As at 1<sup>st</sup> September there have been 60 fixed penalty notices for breach of the order, of which: 54 have been paid; 2 were withdrawn; and 2 are on-going. There were two successful prosecutions for repeat offences and there are 4 prosecutions pending. Operators are now using 16/17 year olds in hot spot areas, and adult touts are operating outside the PSPO area. Police have not issued any fixed penalty notices as they have found that the touts leave the area when they see a uniformed police officer approaching.

### Public perception of enforcement and purpose of the PSPO

- 3.11 The PSPO is intended to address the anti-social behaviour linked to touting including aggressive touting and numbers of touts blocking the pavements and causing nuisance through harassing the public. It

was never the intention to completely stop touting in the restricted area; however, it is clear from the feedback that the public perception was that the PSPO would limit the number of touts or completely prohibit the presence of touts particularly in King's Parade.

There has been some dissatisfaction from the public and from businesses, particularly around King's Parade with the enforcement of the order. Initially there was improvement with the number of touts reducing and the consequent perception that harassment of the public had lessened. However, it is necessary to have proof that touting for punt tours has taken place and a fixed penalty notice can only be issued when there is clear evidence that the order has been breached. Touts began to find ways of touting for punt tours without verbally touting by, for example, carrying a clipboard directing people to places where they could book a trip and pay. Gradually the touts returned in greater numbers and generally they are prepared to breach the order and pay the fines.

- 3.12 There does not appear to be widespread understanding or concern among the touts of the seriousness of failing to comply with the order. It is a criminal offence to breach the order and a person found in breach of the order is liable to a fine. Repeat offending or non-payment of fines can result in a criminal record for the offender. This can have long term and serious consequences for a young person.
- 3.13 The touts have also dispersed to areas that are not covered by the PSPO and in particular have gathered in some numbers at the railway station area. A number of commuters and businesses in that area have complained about their presence.
- 3.14 It is acknowledged that there are some anomalies in the map denoting the restricted areas. In particular, there is some ambiguity with regard to the area on the corner of John Lewis at the intersection of St Andrew's Street and Downing Street and also at the Metro Bank and Christ's Lane. This has resulted in complaints from the public particularly in regard to the corner of John Lewis. The law is as yet unclear as to the extent to which 'variations' to a PSPO require consultation. We are currently taking advice on whether we can amend the maps to denote the areas as originally intended to be included within the restricted area.

#### Injunction application to stop unlicensed punt activity on Council Land

- 3.15 Independently from the PSPO, the Council is seeking an injunction from the High Court to ban punt businesses from using its land to

access the River Cam without its consent. The unauthorised use has escalated beyond Garret Hostel Lane to the City's open spaces at Laundress Green and Sheep's Green with significant punting operations taking place in these locations. These locations are not authorised punt stations and do not have planning permission or approval from the Cam Conservators.

An injunction from the court would close off these locations in the city centre area where unlicensed punt businesses operate from. Unlicensed businesses are responsible for much of the indiscriminate punt touting away from the river in the city centre, removing their ability to operate from the Council's land on the river should reduce the number of punt touts and levels of unnecessary punt touting.

### Options available to continue to address the issues of punt touting

#### **3.16 Changing the terms of the PSPO**

If a new issue arises in an area where a PSPO is in force, the council can vary the terms of the order at any time. This can change the size of the restricted area or the specific requirements or restrictions by altering or removing a prohibition or requirement included in the order, or by adding a new one. Therefore the council can decide to extend the area of the order to those hotspot areas impacted by the displacement of the touts. It can also decide to change the wording of the order.

Variations to the order can only be made if the conditions in section 59(2) and (3) are met as regards activities in that area.

The first condition is that:

- (a) activities carried on in a public place within the Council's area have had a detrimental effect on the quality of life of those in the locality, or
- (b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

The second condition is that the effect, or likely effect, of the activities:

- (a) is or is likely to be, of a persistent or continuing nature,
- (b) is, or is likely to be, such as to make the activities unreasonable, and
- (c) justifies the restrictions imposed by the notice.

3.17 Although a variation of the order is permitted under the Anti-social Behaviour, Crime and Policing Act 2014, if such a variation were to be made, an interested person may apply to the High Court to question the validity of the variation. For example, if the Council were to seek to ban touting completely from certain areas, it would have to ensure that the conditions stated above have been met and would need to have the background evidence to support the variation. In effect a variation that included a change of wording and/or the extension of the restricted area would involve a process of consultation and evidence gathering and consideration by committee. In effect the process will be the same as that for introducing a new PSPO. However, as noted in paragraph 3.14 it may be possible to make minor amendments to the restricted areas without going to consultation where the areas in question were quite clearly intended to be included in the original order.

### **3.18 Increased and more robust enforcement -**

Increasing the level of enforcement would go some way to addressing the concerns and perceptions that enforcement was not robust enough. This would require having enforcement officers available for more persistent patrols including at peak times of day for the tout operations and at week-ends. The current enforcement levels cover each day Monday to Friday, early evenings and weekends. Increased enforcement would include extensions to these times or other forms of patrolling. Currently there is not the resource within the Enforcement Team for this level of enforcement; therefore further resource would have to be made available with the attendant costs or impact on other areas of enforcement.

### **3.19 Discharge of the PSPO**

The maximum duration of a PSPO is three years without review or new consultation, but they can last for shorter periods of time where appropriate. Short term PSPOs can be used where it is not certain that restrictions will have the desired effect. This PSPO can be discharged if it is found not to have addressed the issue. If the order is discharged, a notice identifying the order and stating the date when it ceases to have effect must be published. The order can also be left in place for the 3 year period. A discharge would mean that other ways of addressing the issues of the numbers and behaviour of punt touts would have to be found.

## Conclusion

3.20 Officers have considered the issues raised by the public and businesses and the options available to address them and have made recommendations as detailed in 2.1 and 2.2.

## **4. Implications**

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

The financial implications will change depending on which of the options for the future of the PSPO are chosen:

- Discharging the PSPO would likely result in relatively low costs to publicise the removal of the order and the signs.
- Leaving the order in place with increased enforcement would carry a staff costing, changing of priorities or reduced enforcement elsewhere in relation to increased working hours for Enforcement Officers. The estimated cost of a fixed term post to enhance the enforcement levels would be £18k for six months funded in part from fixed penalty notices.
- Extending the geographical area covered by the order and/or changing the wording of the order would be the most costly option as it would mean carrying out another consultation with attendant costs and any costs attached to new signage.

**(b) Staffing Implications** (if not covered in Consultations Section)  
See financial implications above.

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

An equality impact assessment was carried out during the consultation and implementation of the order. A further assessment would be needed if significant changes are made to the order. Equality and poverty implications were addressed in detail in the report to Strategy and Resources Committee in July.

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

Climate change rating is not applicable, however, the impact on increased signage on the environment will need to be considered in the event of a change to the geographical area.

### **(e) Procurement**

It is unlikely that the costs would reach procurement thresholds.

### **(f) Consultation and communication**

As detailed in the report.

- (g) **Community Safety**  
As detailed in the report.

## **5. Background papers**

These background papers were used in the preparation of this report:  
Public Spaces Protection Order – Punt and Tour Touting report to Strategy and Resources Committee 4 July 2016  
Notes of the Strategy and Resources Committee 4 July 2016  
Reform of anti-social behaviours powers – Home Office guidance for frontline professionals  
Anti-social Behaviour Crime and Policing Act 2014

## **6. Appendices**

Public Spaces Protection Order (Touting) 2016 – Appendix A  
Summary of complaints since 15 September 2016 – Appendix B

## **7. Inspection of papers**

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

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# ANTI-SOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014

## SECTION 59

### PUBLIC SPACES PROTECTION ORDER

This order is made by Cambridge City Council (the 'Council') and shall be known as the Public Spaces Protection Order (Touting) 2016.

#### PRELIMINARY

1. The Council, in making this Order is satisfied on reasonable grounds that:  
  
The activities identified below have been carried out in public places within the Council's area and have had a detrimental effect on the quality of life of those in the locality,  
  
and that:  
  
the effect, or likely effect, of the activities:  
  
is, or is likely to be, of a persistent or continuing nature,  
  
is, or is likely to be, such as to make the activities unreasonable, and  
  
justifies the restrictions imposed by the notice.
2. The Council is satisfied that the prohibitions imposed by this Order are reasonable to impose in order to prevent the detrimental effect of these activities from continuing, occurring or recurring, or to reduce that detrimental effect or to reduce the risk of its continuance, occurrence or recurrence.
3. The Council has had particular regard to the rights and freedoms set out in Article 10 (right of freedom of expression) and Article 11 (right of freedom of assembly) of the European Convention on Human Rights and has concluded that the restrictions on such rights and freedoms imposed by this Order are lawful, necessary and proportionate.

## THE ACTIVITIES

4. The Activities prohibited by the Order are verbally:

- i. advertising or
- ii. soliciting for custom or
- iii. otherwise touting for

a punt tour or the hire or use of punts boats or similar craft on the River Cam (including any walking tour which includes or involves, whether or not for consideration, a punt tour or hire or use of punts boats or similar craft on the River Cam)

## THE PROHIBITION

5. A person shall not engage in any of the Activities anywhere within the restricted area as shown shaded on the attached map labelled 'The Restricted Area'

This Prohibition is subject to the Exception stated below

## THE EXCEPTION

6. The Prohibition does not apply to those cross-hatched shaded areas as identified on the attached map labelled 'Excepted Areas', provided that the Activities are carried out with the authority of, and by or on behalf of, a punt operator whose vessels are licensed for commercial purposes by the Conservators of the River Cam.

Informative: the Excepted Areas are locations at Quayside, Silver Street, Trinity College frontage at Garret Hostel Lane, Queens Green, and the Walkway from Quayside to Jesus Green (La Mimosa).



### PERIOD FOR WHICH THIS ORDER HAS EFFECT

7. This Order will come into force at midnight on 15<sup>th</sup> September 2016 and will expire at midnight on 14<sup>th</sup> September 2019.
8. At any point before the expiry of this three year period the Council can extend the Order by up to three years if they are satisfied on reasonable grounds that this is necessary to prevent the activities identified in the Order from occurring or recurring or to prevent an increase in the frequency or seriousness of those activities after that time.

### WHAT HAPPENS IF YOU FAIL TO COMPLY WITH THIS ORDER?

Section 67 of the Anti-Social Behaviour Crime and Policing Act 2014 says that it is a criminal offence for a person without reasonable excuse –

- (a) to do anything that the person is prohibited from doing by a public spaces protection order, or
- (b) to fail to comply with a requirement to which the person is subject under a public spaces protection order

A person guilty of an offence under section 67 is liable on conviction in the Magistrates Court to a fine not exceeding level 3 on the standard scale

### FIXED PENALTY

A constable, police community support officer or city council enforcement officer may issue a fixed penalty notice to anyone he or she believes has committed an offence under section 67 of the Anti-Social Behaviour, Crime and Policing Act. You will have 14 days to pay the fixed penalty of £75. If you pay the fixed penalty within the 14 days you will not be prosecuted.

APPEALS


Any challenge to this order must be made in the High Court by an interested person within six weeks of it being made. An interested person is someone who lives in, regularly works in, or visits the restricted area. This means that only those who are directly affected by the restrictions have the power to challenge. The right to challenge also exists where an order is varied by the Council.

Interested persons can challenge the validity of this order on two grounds: that the Council did not have power to make the order, or to include particular prohibitions or requirements; or that one of the requirements of the legislation, for instance consultation, has not been complied with.

When an application is made the High Court can decide to suspend the operation of the order pending the Court's decision, in part or in totality. The High Court has the ability to uphold the order, quash it, or vary it.

Dated.....

The Common Seal of  
Cambridge City Council  
was affixed in the presence of

  
.....

Head of Legal Services *PRACTICE*



Section 67 Anti-Social Behaviour Crime and Policing Act 2014

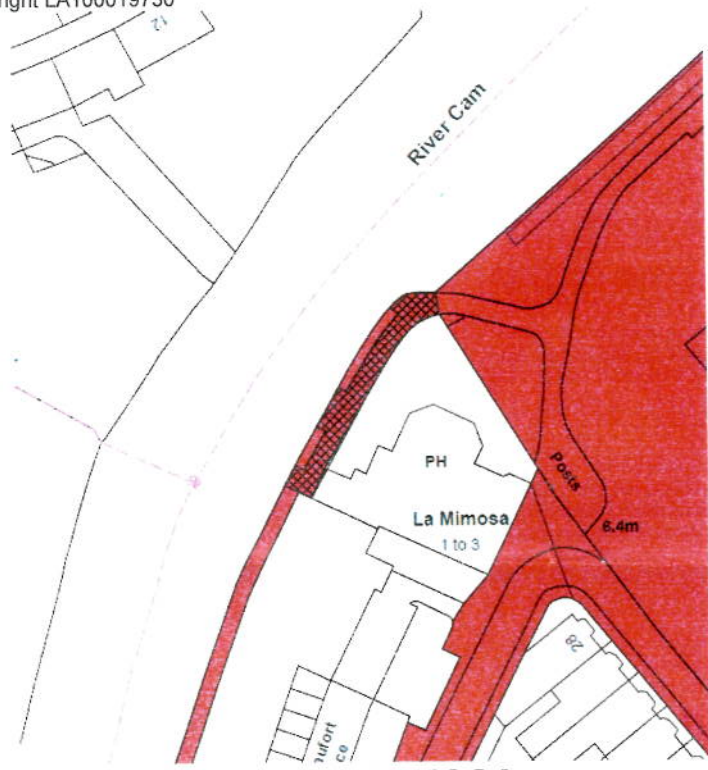
- (1) It is an offence for a person without reasonable excuse-
  - (a) To do anything that the person is prohibited from doing by a public spaces protection order, or
  - (b) To fail to comply with a requirement to which a person is subject under a public spaces protection order
- (2) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale
- (3) A person does not commit an offence under this section by failing to comply with a prohibition or requirement that the local authority did not have power to include in the public spaces protection order





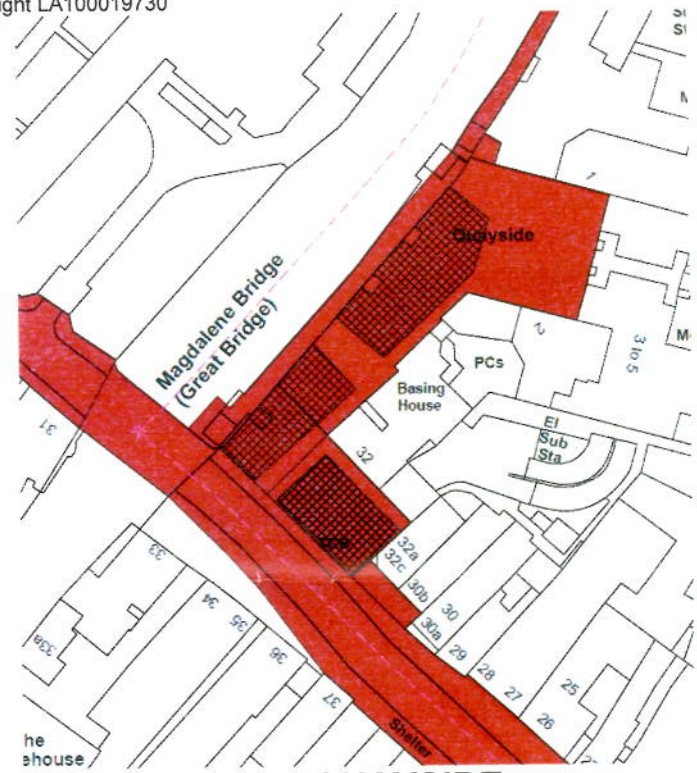
# APPENDIX A: EXCEPTION AREAS

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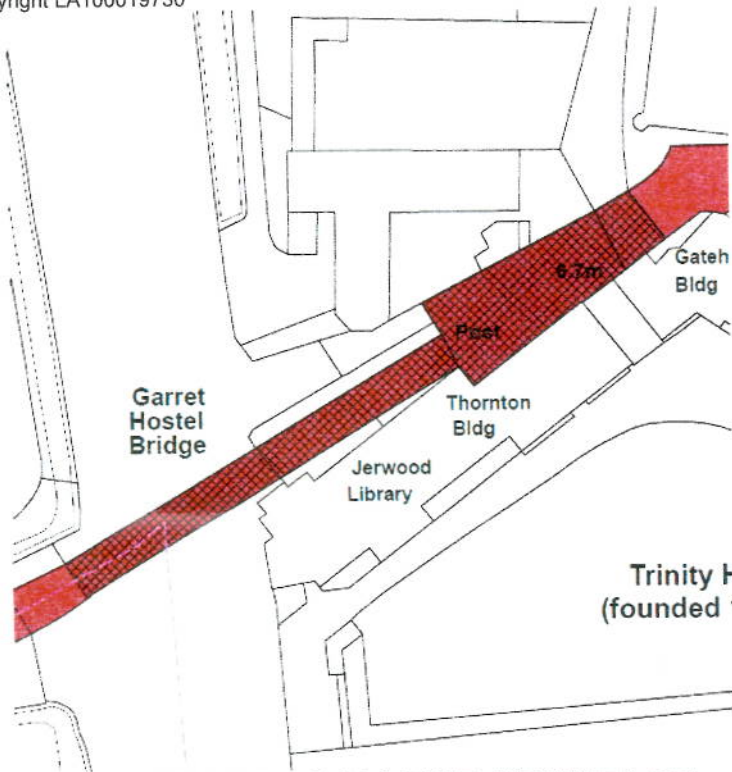
1. LA MIMOSA

© Crown Copyright LA100019730



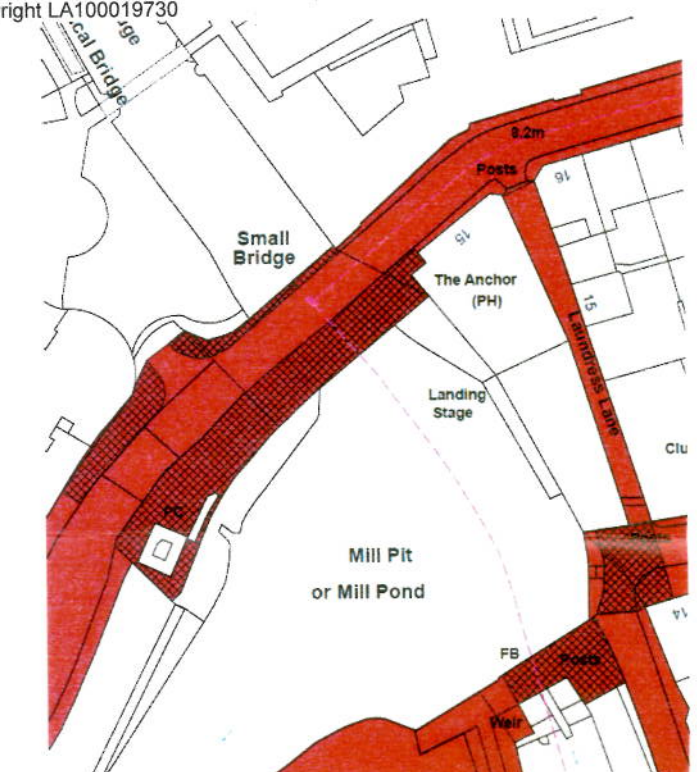
2. QUAYSIDE

© Crown Copyright LA100019730



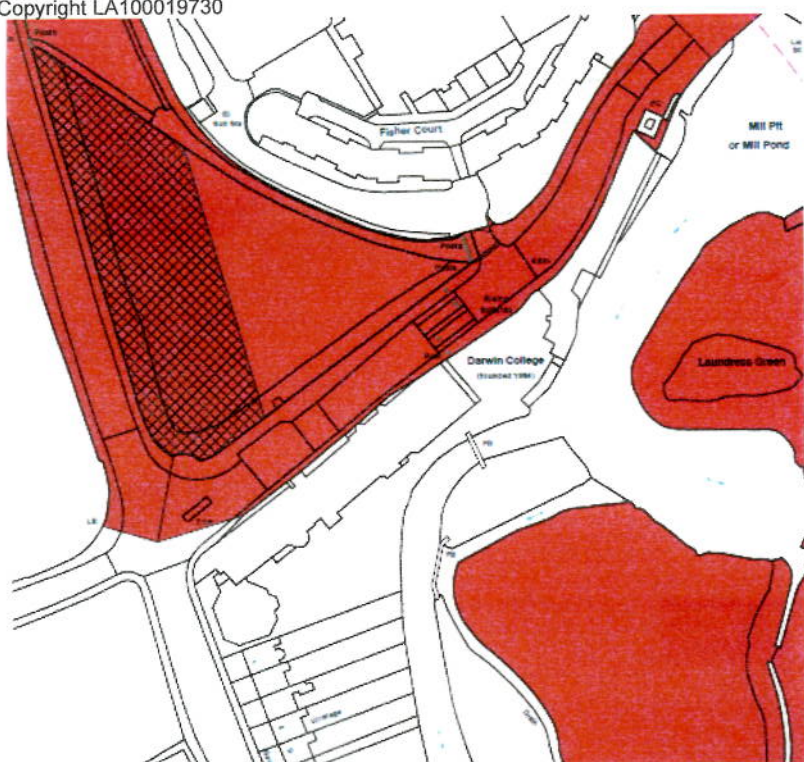
3. TRINITY COLLEGE FRONTAGE

© Crown Copyright LA100019730



4. MILL PIT WEST AND 5. MILL PIT EAST

© Crown Copyright LA100019730



6. GRANTA MILL POND - QUEENS' GREEN

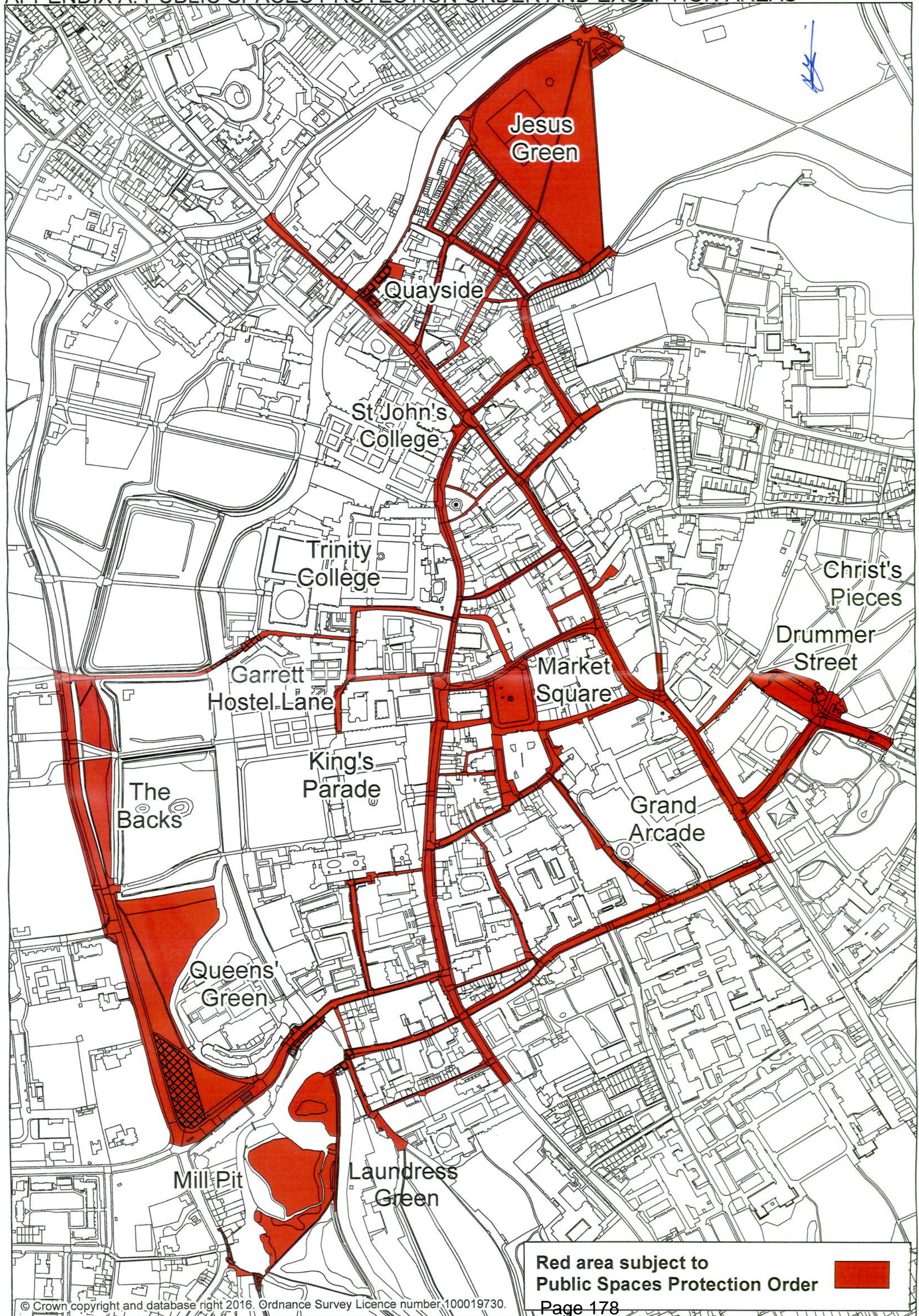
© Crown Copyright LA100019730



6. GRANTA MILL POND

- Red area subject to Public Spaces Protection Order
- Exception Area







Date received	Time of day	Precis of complaint / Observation / Behaviour of tout(s)
15/09/2016	11:46	Several touts active on King's Parade
15/09/2016	12:29	Touts outside bookshop as usual - One was warned, crossed the street and carried on
15/09/2016	12:30	Observation over number of touts
17/09/2016	13:52	10 touts in front of Great St Mary's and along King's Parade
18/09/2016	13:00	Several touts by Great St Mary's church
18/09/2016		Sign by King's News offering punt tours - woman and young man offering tours abusive when challenged
19/09/2016	12:20	5 touts at the Railway Station
19/09/2016	13:09	Follow up to 18/09 - 5 touts on King's Parade directing to King's News
19/09/2016		Touts operating every day on King's Parade
21/09/2016	10:25	Lack of enforcement as touts outside King's College
21/09/2016	12:48	4 touts by Yo Sushi on Petty Cury promoting walking tours
21/09/2016	15:02	Verbally abused by a punt tout on Market Square when challenged
21/09/2016	08:28	Punt tour board advertising by King's News on King's Parade
22/09/2016	12:38	Touts on Market Square
22/09/2016	12:57	8 touts on King's Parade near King's College (incl. Cambridge Traditional Tours)
22/09/2016	13:33	Tout outside King's College with banners and boards
22/09/2016	12:43	Photographed 2 touts in Market Square
22/09/2016	15:19	Activities at Garret Hostel Lane and touting in the vicinity
22/09/2016	17:02	Touts continue to operate on King's Parade
23/09/2016	13:47	Complaint over PSPO operation
23/09/2016	16:09	5 touts outside shop and by Great St Mary's
23/09/2016	13:13	Touts at Railway Station
23/09/2016		Report from Newnham resident about touting on King's Parade and Market Square
24/09/2016	17:18	Touts on Station Road
26/09/2016	10:08	Touting with signs outside King's College

27/09/2016	13:35	6 aggressive touts by The Guildhall (Snowy memorial)
27/09/2016	13:37	One tout operating by Garret Hostel Bridge
28/09/2016	11:45	Touting on King's Parade - 3 touts with boards - Traditional Punting Tour accosting people (about 10)
28/09/2016	13:45	11 touts outside King's College
28/09/2016	12:11	5 touts in blue jackets around Station Road and Tennison Road
29/09/2016	13:52	Touts at Petty Cury and Guildhall Place (with photo)
01/10/2016	09:30	Tout at railway station; complainant was on way to hospital
04/10/2016	12:54	Touts on Station Road near Mill Park
05/10/2016	10:30	Approached by a tout outside the Guildhall
05/10/2016	13:28	Touts by Great St Mary's church
06/10/2016	11:34	2 touts in St Edward's Passage and on Guildhall Place and Petty Cury corner
07/10/2016	17:19	3-10 annoying touts on Bridge Street
07/10/2016	10:53	Touts along Station Road
08/10/2016	12:23	2 touts on Trinity St/Market Hill and 2 on Petty Cury
09/10/2016	14:45	2-5 touts on Petty Cury
10/10/2016	17:00	2-4 touts on Great St Marys and Petty Cury
18/10/2016	17:42	Observation that touting on King's Parade is back to pre-enforcement levels
19/10/2016	15:16	Touts are back in action - last
19/10/2016	15:43	Video of a tout on King's Parade
21/10/2016		Photographed touts outside King's College everyday
25/10/2016		Touting outside King's College continues post PSPO
26/10/2016	16:18	Verbally abused by a tout at Cambridge station
28/10/2016	11:45	Touts on King's Parade from Great St Mary's to Corpus Clock
02/11/2016	13:27	Touting continuing on King's Parade
03/11/2016	12:31	Active touting outside Great St Mary's and King's Parade
16/11/2016		Touts with boards saying "Cambridge college tours"
16/11/2016	13:19	4 touts on King's Parade and Petty Cury - who to report to?
17/11/2016	20:13	Question regarding PSPO and touts on King's Parade



13/11/2016	21:43	Offensive tout (Cambridge Punting Co Ltd)
02/12/2016	15:31	15 rude touts on King's Parade
02/12/2016	14:37	Videod a tout chasing some tourists on King's Parade
13/12/2016	09:58	Wishes to make a formal complaint about lack of enforcement.
20/12/2016	11:48	Traditional Punting Company are touting on King's Parade; wanted to know if they should be there as he thought they shouldn't be
13/01/2017	11:54	Touts still operating outside Great St Mary's
15/01/2017	11:17	20 touts on King's Parade and Great St. Mary's - general comment about punting and enforcement
22/01/2017	16:44	Seeking clarification on enforcement of PSPO
23/01/2017	09:38	Punting at Garret Hostel Lane slipway
26/01/2017	08:45	Complaint about a "foreigner" punt tout and number of beggars on the streets
27/01/2017	12:55	Touting taking place by the St Andrew's Street taxi rank and blocking pavement
15/02/2017	09:16	Tweet about lack of enforcement of punt tout ban
10/03/2017	12:21	Touts are hassling members of the public in Christ's Lane near the taxi
21/03/2017	15:17	Unauthorised mooring at Mill Pond (Property Services to respond) and enforcement of touting on King's Parade
29/03/2017	11:57	Aggressive touting on King's Parade (suspected "walking tours" for £25)
11/04/2017	10:48	Punt touts on King's Parade with new signs saying "punt tickets for sale here"
11/04/2017	11:49	A couple of touts from Cambridge Alumni Tours (Cambridge College Tours?) outside the college blocking the pavement - photo evidence
12/04/2017	11:02	Punt touts from Cambridge Alumni Tours (later confirmed Cambridge College Tours) outside John Lewis and Emmanuel College
Easter weekend	Not known	"Been solicited half a dozen times just this morning"
18/04/2017	Not known	Approached 3 times on St Mary's Street by Senate House by punt touts
21/04/2017	12:12	Touts harassing customers at stall pitches

24/04/2017	12:05	Touting in front of main entrance to Emmanuel College
26/04/2017	09:57	Photo of touting on corner of Christ's Lane
28/04/2017	11:55	Punt touts wearing blue "tour info" jumpers around Station Road by Microsoft building
02/05/2017	11:31	Touting on Trumpington Street and King's Parade; lack of enforcement
02/05/2017	12:16	Touts returned following intervention by police
09/05/2017	AM	Regular groups of 8-10 touts on Station Road by train station
11/05/2017	17:40	Touting around train station blocking pavements and harrassing tourists
12/05/2017	09:03	Touting around traffic lights by John Lewis/Emmanuel College and by Boots
14/05/2017	14:21	Wrote to Cambridge BID concerning touts by Quayside and station, and lack of enforcement of PSPO
18/05/2017	12:36	Group of 5-6 touts on Station Road and Tenison Road catching people coming from train station
18/05/2017	13:49	Touts around Emmanuel College and lack of enforcement
22/05/2017	09:16	Touting by Tamburlaine Hotel on Station Road
22/05/2017	10:30	Aggressive and intimidating touting - elderly father verbally abused outside Grand Arcade
23/05/2017	14:22	Touting around John Lewis, Emmanuel College and King's Parade - rude female tout by John Lewis
25/05/2017	19:23	Touting on St Andrew's Street by Cambridge Building Society
26/05/2017	11:41	Touts outside Metro Bank claiming to have permission to tout
26/05/2017	21:22	Observation about touts on Bridge Street and King's Parade - being polite but persistent
28/05/2017	13:17	Touts by King's College
29/05/2017	16:11	Touts by Great St Mary's Church - photos supplied
30/05/2017	16:35	Touting at Tamburlaine Hotel on Station Road
01/06/2017	08:59	Punting company on King's Parade with a sign contrary to PSPO
08/06/2017	11:30	Complaint about touting by TCT (with photos)

12/06/2017	11:58	8 touts outside shop - one was rude
13/06/2017	09:10	International visitors pestered by punt touts - wants the ban to continue (in light of the Cambridge News item?)
13/06/2017	21:39	Three questions regarding punt touting and GHL
15/06/2017	17:59	Question relating to Cambridge News article and touting near Christ College (with photos)
19/06/2017	N/K	Willing to give a statement about touting issues on 17/06
28/06/2017	16:58	Touts by Microsoft building near the train station
04/07/2017	10:59	Touts by St John's Street and the Round Church
05/07/2017	15:45	Approached by abusive tout outside the Guildhall - no name or further details given
06/07/2017	19:43	Two touts by the Round Church - abusive when he took their photos (supplied)
07/07/2017	12:09	Attitude and activity of touts in Cambridge
18/07/2017	15:36	Touts by St Andrew;s Church, Petty Cury and King's Parade issue with shops giving cash on credit cards to make payments
21/07/2017	11:34	General complaint about punt touts - wanted explanation of Council action via email
21/07/2017	14:24	Touts (7/8) around by John Lewis and Emmanuel College blocking the pavements with bikes and tourists
30/07/2017	11:02	Punt touts by station outside Microsoft building and hotel
31/07/2017	12:55	Aggressive touts outside Tamberlaine Hotel
04/08/2017	11:19	Reported that a member of public had been verbally abused by a tout outside the college
04/08/2017	12:40	Enquiry about touting on King's Parade
14/08/2017	10:48	Junction by John Lewis - usually about 6 touts blocking the pavement
16/08/2017	14:02	Second complaint about 7 Cambridge College Tours touts aggressive touts by John Lewis and Metro Bank
19/08/2017	12:54	Challenged a "pushy tout" outside Emmanuel College

19/08/2017	Tweet	Persistent and nuisance touting on King's Parade
19/08/2017	Tweet	Response to previous tweet - 5/6 touts always on corner of Downing Street by John Lewis
24/08/2017	12:45	Non-verbal touting by John Lewis, Metro Bank, Boots and Nandos - should they have IDs?
25/08/2017	14:15	Complaint made to CSC reception about the touts around John Lewis, blocking Trumpington P&R bus stop (customer was "fuming") - no details
27/08/2017	15:38	Attitude of touting on King's Parade linked to GHL (dangerous and noisy activity on river)



Item

## Combined Authority Update

**To:**

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and Transformation

**Report by:**

Antoinette Jackson, Chief Executive

Tel: 01223 - 457001 Email: antoinette.jackson@cambridge.gov.uk

**Wards affected:**

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

### Not a Key Decision

#### 1. Executive Summary

1.1 This report provides an update on the activities of the Combined Authority since the last meeting of Strategy and Resources Scrutiny Committee.

#### 2. Recommendations

The Executive Councillor is recommended to:

- (a) report the contents of this report to the scrutiny committee
- (b) provide a verbal update at the meeting on issues considered at the September meeting of the Combined Authority

#### 3. Background

A meeting of the Combined Authority Board took place on 26 July 2017 and the minutes are attached at appendix A.

Item 66 of the minutes – “Proposals for the staffing structure of the CA” was subsequently called in by the Overview and Scrutiny Committee of the CA. They met on 16 August and agreed:

*“That the Combined Authority Board reconsider their decision to approve the proposals in respect of the officer structure as set out in the report that went to the July Board meeting until:-*

*a) A higher level of detail is provided around the roles set out in the report and it is clearly defined how these roles will differ to those already carried out by similar officers at the constituent councils and how these officers will work together.*

*b) A report of the process that has been undertaken to create these roles to be provided to ensure that there has been a thorough consultation with constituent councils and that there will be no duplication of existing roles”.*

Under the process agreed by the Executive Councillor at the scrutiny committee on 3 July (17/30/SR), an informal briefing was arranged to consider the called-in decision prior to the Combined Authority meeting to re-consider the decision. This informal briefing was held on 30<sup>th</sup> August and attended by Cllrs Herbert, Baigent, Bick and Cantrill (the latter by phone conference).

A meeting of the CA was held on 4 September to consider the overview and scrutiny committee’s views. The minutes of that meeting are attached at Appendix B.

- 4.2 The agenda for the next meeting of the Combined Authority on the 27 September is attached at Appendix C. This includes the Forward Plan for the Combined Authority which is attached at Appendix D.

This report will be published before that meeting takes place and an update on decisions made at that meeting will be provided at committee.

- 4.3 All Members are sent links to the agendas for Combined Authority meetings.

#### **4. Implications**

##### **Financial Implications**

There are no direct financial implications arising from this update report.

- (b) **Staffing Implications**  
There are no direct staffing implications for the City Council from this update report.
- (c) **Equality and Poverty Implications**  
There are no equality and poverty implications from this update report. An EqlA has not, therefore, been produced for this report.
- (d) **Environmental Implications**  
There are no environmental implications from this update report.
- (e) **Procurement**  
There are no procurement implications from this update report.
- (f) **Consultation and communication**  
The Combined Authority will continue to issue communications around progress with the devolution deal as appropriate and consults on its work at appropriate points.
- (g) **Community Safety**  
There are no community safety implications from this update report.

## **9. Background papers**

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

Agenda for Combined Authority meetings: 26 July and 27 September 2017

## **10. Appendices**

Appendix A Minutes of Combined Authority meeting 27 July 2017

Appendix B Minutes of special Combined Authority meeting 4 September 2017

Appendix C Agenda for Combined Authority meeting 27 September 2017

Appendix D Combined Authority Forward Meetings plan

## **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Antoinette Jackson, Chief Executive, tel: 01223 - 457001, email: antoinette.jackson@cambridge.gov.uk.

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**Agenda Item No: 1.2**

**CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES**

**Date:** Wednesday, 26th July 2017

**Time:** 10.00am - 1.05pm

**Present:** J Palmer (Mayor)

Councillors A Bailey – East Cambridgeshire District Council (substituting for C Roberts), J Clark – Fenland District Council, S Count – Cambridgeshire County Council, J Holdich – Peterborough City Council, R Howe – Huntingdonshire District Council, K Price – Cambridge City Council (substituting for Councillor L Herbert), P Topping – South Cambridgeshire District Council, and M Reeve (Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP)).

**Observers:** Councillor J Ablewhite (Police and Crime Commissioner), G Howsam (substituting for J Bawden) (Cambridgeshire and Peterborough Clinical Commissioning Group) and Councillor K Reynolds (Chairman, Cambridgeshire and Peterborough Fire Authority)

**60. APOLOGIES AND DECLARATIONS OF INTERESTS**

Apologies received from Councillors L Herbert and C Roberts. There were no declarations of interest.

**61. MINUTES – 28TH JUNE 2017**

The minutes of the meeting held on 28th June 2017 were agreed as a correct record.

**62. PETITIONS**

No petitions were received.

**63. PUBLIC QUESTIONS**

One question had been received, and together with the response, was published and available at the following link: [Cambridgeshire and Peterborough Combined Authority meeting 26/07/2017](#)

**64. AMENDMENT TO MEMBERSHIP OF THE OVERVIEW AND SCRUTINY COMMITTEE**

The Board considered a request to approve amendments to the membership of the Overview and Scrutiny Committee, following recent resignations notified by Fenland District Council and Cambridgeshire County Council.

It was resolved unanimously to approve the following amendments to the Overview and Scrutiny Committee for the municipal year 2017/2018:

- (a) Appoint Councillor David Mason as a Member and Councillor Maureen Davis as substitute member;
- (b) Appoint Councillor Jan French as a Member;
- (c) That the Monitoring Officer be given delegated authority to accept future changes to membership of committees notified by constituent councils during the municipal year to ensure there was a full complement of members or substitute members at committee meetings, and to amend the constitution accordingly.

**65. COMMUNITY REPRESENTATIVE TO THE COMBINED AUTHORITY BOARD**

The Board considered a proposal to create a non-voting co-opted community representative on the Board. It was noted that applications were encouraged from female candidates, ethnic minorities or those with a disability as they were under represented. The aim was to allow for some diversity on the Board. Attention was drawn to a revised appendix for this report, which was published on the website.

In discussing the proposal, it was acknowledged that the Board was comprised of a certain section of the community. However, a number of members had reservations about the proposal. The Board recognised that membership was likely to be subject to change as it had in the past. The County Council, for example, had recently had two female leaders who had been leaders in their local community first and then the Council. There was also concern as to how one particular community would be able to represent another on the Board.

It was suggested that an effective way to reach communities was through communication and consultation. A communication plan was therefore required. It was proposed that some work should be undertaken over the summer to address how communities should be represented on the Board. In conclusion, it was felt that community representation should be tackled in a different way with officers investigating the best approach.

Councillor Count proposed an amendment, seconded by Councillor Howe, to delete recommendations (a) and (b) and add a recommendation to examine the best way to reasonably involve the voice of all sections of our community in the decision making process, as early as reasonably possible. On being put to the vote, the amendment was carried.

The Board was informed that the proposed allowance of £1500 for this role would have included all expenses.

It was resolved unanimously to recommend to:

examine the best way to reasonably involve the voice of all sections of our community in the decision making process, as early as reasonably possible.

## **66. OFFICER AND SUPPORT STRUCTURE**

The Board received a report setting out a proposed officer structure for the Combined Authority, and the arrangements for the provision of support services. The Mayor reminded the Board that the Authority had set an incredible pace to deliver his 100 day plan with only six members of staff, which compared to other combined authorities was extremely low. The proposal was for only fifteen officers and two members of staff to support the Mayor's office, which meant the Authority remained small and strategic.

The Chief Executive drew attention to the substantial job the Authority was expected to do in relation to the local economy and public sector reform over the next twenty years. Members were advised of the principles underpinning the proposed officer structure. It was proposed that there should be a framework of staff engaged in a flexible model of interim, secondment and permanent appointments. This included three directors to lead on the following priority programmes: Housing; Skills; and Transport and Infrastructure and other staff roles to support the senior leadership team.

Formal job evaluations had yet to be carried out in respect of these roles but attention was drawn to the salary levels detailed in the report. The indicative costs for the roles including on costs was £1,817.5k per annum in a full year of operation. This was an increase of £354.9k on the existing approved budget. It was important to bear in mind that every £1 in establishment costs would bring in £30 in new funding. The cost of these roles amounted to 1.56% of the turnover of the Combined Authority.

In discussing the report, the Board:

- thanked officers for helping establish the Combined Authority and for the speed of implementation of the Mayor's 100 day plan. It was acknowledged that the current officer staffing structure was unsustainable given the scale of the work and speed required. It was important to note that the Authority would be able to attract more Government funding if it was efficient and had a track record of delivery. It was acknowledged that the formal job evaluations for the new roles had not been carried out before the Authority was being asked to approve the budget. Formal job descriptions were necessary in order to attract the right people at the right price. There was also a need to consider resilience in relation to direct employment. It was therefore important to approve the budget because it was not cost effective for the Authority to slow down.
- highlighted the need to avoid duplicating posts with other organisations. It was noted that the Greater Cambridge Partnership (GCP) was also appointing a lead focussing on education. The Chief Executive reported that the Combined Authority would be linking up with organisations such as the GCP to avoid appointing

duplicate posts. This time limited post provided an opportunity to look at how organisations dealt with skills and rationalise accordingly in order to achieve benefits and efficiencies. One Member suggested appointing someone from outside Cambridgeshire who had no vested interests. The Portfolio Holder for Employment and Skills drew attention to the confusion regarding the delivery of skills at a national level. He acknowledged the importance of avoiding duplication so that more money was targeted at delivery. He asked to be involved in the appointment process.

- suggested that public sector reform would address the issue of duplication and provide savings. It was possible that some of the costs could be cost neutral if the Authority utilised what was already there in other organisations. The Mayor raised the need to bring back proposals for full public sector reform as these savings would dwarf the size of the Authority's budget.
- drew attention to the scale of pay and remuneration proposed for the new roles. One Member expressed concern that the rates proposed for the Directors were higher than for some Chief Executive posts who had larger budgets to manage. The Chief Executive reported that a formal evaluation would be carried out against each job description and pay would be comparable with other benchmarks. One Member reported that the pay and remuneration detailed in the report was comparable to pay scales proposed, in the Municipal Journal, for a skills appointment for the West Midlands Combined Authority.
- noted concern from one Member that the budget set before the mayoral elections would now be increased. Members were informed that the budget set in March had been based on the best available information. The Mayor's 100 day plan had crystallised the need for resource. However, it was important to bear in mind that the Combined Authority was a lean authority and would remain so. The comparison with other Combined Authorities had shown that the Authority was currently so lean that it was impacting on delivery. It was therefore important to mitigate the gap between forecasted budget and costs.
- acknowledged that the Director roles would drive forward the work of the Combined Authority. There needed to be clear outcomes associated with these appointments. One Member expressed a preference for fixed term contracts.
- suggested that the Authority should look to obtain more independent assurance from, for example, the Centre for Public Scrutiny and/or National Audit Office. The Chief Executive reported that in relation to the contract for the University of Peterborough, the Combined Authority was validating reports received from the contractor.
- highlighted the need to appoint to the staffing structure as and when needed. However, it was important to note that the Authority needed to invest to invest as without this officer structure it could not deliver.
- requested clarification of the role of the Communication Manager which was required to work closely with the post of the Mayor's political assistant. The Chief Executive reported that the Communication Manager would be operating on behalf of the Combined Authority and would not be a political appointment.

- requested clarification of the remuneration of the Political Assistant, which was set by law. It was noted that the maximum amount under the Local Government and Housing Act 1989 which could be paid to a Political Assistant was £34,986.
- queried whether the Programme Managers need personal assistants.

It was resolved by a majority to:

- (a) Approve proposals in respect of the officer structure as set out in this report
- (b) Confirm the arrangements for the provision of support services

## **67. FORWARD PLAN**

The Board noted a revised Forward Plan of Executive Decisions dated 24 July 2017, which had been circulated that day. The Mayor stated that the Forward Plan was updated on a regular basis and was available online for public inspection (a copy of the current version is available at the following link <https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx>)

It was resolved unanimously to:

approve the Forward Plan of Executive Decisions.

## **68. DEVELOPMENT OF A CENTRE FOR SKILLS AND APPRENTICESHIPS**

The Portfolio Holder for Employment and Skills presented a report detailing a conceptual format to create an ambitious vision to connect all work that was taking place across the Combined Authority area in respect of skills and employment, bringing it under the umbrella of a Centre for Skills, and creating an Apprenticeship Hub over three stages. He drew attention to the flaws in the current centralised national skills system. This proposal would offer greater opportunity to reduce the fragmentation and duplication that currently existed, which would enable maximisation of funding opportunities and have the greatest impact for the local area in terms of developing higher level skills and enabling growth. Attention was drawn to the proposed vehicle, options and governance arrangements.

In welcoming the proposal to simplify the skills system, the LEP representative highlighted the need to avoid overwriting or pausing what was already happening. It was suggested that a review of the end-to-end skills system should be employer-led. It was also important to note that skills access had a wider economic geography than just the combined authority area. The business community therefore required any review to be done with them rather than to them. The Board was informed that the LEP had approved, at a recent meeting, funding for Opportunity Peterborough. Other Members acknowledged the importance of employer-led activity, and the need to incorporate best practice. It was suggested that consultation should take place with existing providers with the sharing of data bases to be encouraged. It was important to bear in mind that this report would drive the growth agenda, which would result in jobs, over the next twenty years.

The CCG representative drew attention to the lack of workforce to deliver social care. He was very keen to transform the current workforce so it was fit for the future. Members acknowledged the importance of providing skills for life to ensure people were fit for work as this would enable them to live their life without support from the public sector. It was suggested that funding should follow the student, and that courses should be based on what was needed rather than popularity; this was a role for the authority's Education Committee. The Mayor acknowledged the importance of the relationship with schools and reported that he would talk to the Secretary of State to upgrade their role and to reward them for getting pupils into apprenticeships. He congratulated officers for generating 524 apprenticeships as part of the Government's Apprenticeship Employer Grant.

It was resolved unanimously to:

In relation to the proposal for a Centre for Skills:

1. Approve a review of the end-to-end skills system,
2. Note that the Chief Executive would work alongside the LEP and other partners to undertake this as a joint review,
3. Note that a proposal would be brought forward for a new skills system alongside a skills strategy by February 2018.

In relation to Apprenticeships:

note the success of generating 524 new apprentices in the last 12 months, and in order to continue that success:

4. Approve £692,000 funding in order to build on the Apprenticeship Employer Grant (AGE) for Small and Medium Enterprises, to deliver a further 575 apprenticeships across the Combined Authority area,
5. Approve the development of a detailed options appraisal for an Apprenticeship Hub to be brought to the September meeting.

## **69. CAREER AND PROGRESSION INNOVATION PILOT**

The Portfolio Holder for Employment and Skills presented a report detailing a new Innovation Pilot to address the shortage of skilled workers in the Health and Care Sector. The Authority had successfully negotiated additional funding of over £5m that would help over 2,100 workers develop their skills and advance their position in order to progress both their pay and career. Attention was drawn to how the pilot would work in practice, the governance model and what was needed of the Local Authorities involved. In conclusion, the Portfolio Holder thanked officers and partners for working hard to achieve this funding.

One Member expressed his excitement at this pilot which went to the heart of the significant issues being experienced in the County. The CCG representative had already commented on the severe staff shortage in this sector, which this pilot would help address. The impact of automation on areas of deprivation could result in higher unemployment. This pilot would tackle the problem of staff shortages by providing employment for those affected by automation. However, there was one significant

caveat. Areas of deprivation such as Wisbech had the poorest infrastructure. If these residents were going to work in the Health and Care Sector, it was important that they had decent transport to enable them to access job opportunities.

It was noted that the pilot was subject to final agreement by Government. The Chief Executive reported that it had been agreed but a date was still awaited for the announcement. The Board commented that the Government had doubled the amount of funding for this pilot, it was suggested that it should be extended to teachers if successful. One Member raised the need for the Combined Authority rather than the Department for Work and Pensions to control the funding for the scheme. It was noted that the Authority would have control over the funding.

In welcoming this pilot, it was reported that it would also help address low productivity across the country. Since the 2008 financial crash, gross domestic productivity was less than 18%. If this pilot was successful, it could be applied to other interventions. The Police and Crime Commissioner highlighted the link between areas of deprivation and criminality. Career progression was key to improving people's lives. The Combined Authority could play a key role in tackling deprivation fundamentally across Cambridgeshire and Peterborough. It was important to note that 150 streets out of 16,500 streets accounted for 60% of crime. The outcomes of this pilot were therefore wider than those outlined in the report. There was a need to identify the benefit to the public purse by capturing the whole system cost.

It was resolved unanimously to:

- a) note that – subject to final agreement by Government – the Combined Authority had been awarded an additional £5.2m funding from Government to deliver a Pay and Progression Pilot for the Health and Care Worker Sector
- b) note that the pilot would create an additional 600 new apprenticeships in the area and provide an additional £20m of net present public value
- c) agree the proposed model of governance and delivery arrangements for the pilot
- d) note the expectations on each of the constituent councils and the LEP in the Combined Authority area
- e) delegate to the Chief Executive authority to take all necessary action, in consultation with the portfolio holders of the Delivery Group, to meet any grant conditions imposed by Department of Works and Pensions (DWP), provided that the action taken does not exceed the funding envelope.

## **70. STRATEGIC TRANSPORT DEVELOPMENT ACROSS THE AREA'S KEY GROWTH CORRIDORS: RAPID, MASS TRANSPORT AND STRATEGIC OPTIONS APPRAISAL**

The Board received a report detailing a proposal for a Strategic Options Appraisal into rapid, mass transport options for Cambridge City and the surrounding travel to work area in conjunction with the Greater Cambridge Partnership (GCP). The Appraisal

would consider both the Inner City and scalable and extendable options for the wider area. Attention was drawn to a map on page 62 illustrating a high-level schematic of both the Inner City and the wider Cambridge area. Consultants would be appointed to provide expert independent advice on the most viable solution for the City and surrounding area. Appendix one set out the study brief for the appraisal.

One Member raised the need to advise the consultants not to rule out transport modes which did not have a track record because it was important not to rule out the optimum solution. There was also a need for the consultants to measure various options against the Authority's strategic priorities rather than options being influenced by cost driven solutions. It was important that the strategic priorities led the options appraisal. Another Member commented that the Board was being asked to agree a total budget allocation of up to £100,000, which meant that the whole budget did not have to be spent. It was noted that the total GCP allocation was £150,000.

In discussing stakeholder engagement, it was important to bear in mind the experience of the people who had been involved in the City Deal. The Authority had to be alive to the views of the people in and around Cambridge. In response to a query, the Mayor reported that this proposal would not impact on the Wyton development. It was noted that the proposal would enhance the market towns as well as connect the radial spokes. In parallel, the Authority should be looking to evaluate objectively the return on its investment in relation to the creation of economic environs.

One Member raised the need to learn lessons from previous contracts such as the Cambridgeshire Guided Busway (CGB), and stressed the importance of using experienced contracts lawyers. In response, the County Council representative reported that the CGB was very successful with over 4 million travellers. The contract had also stood up well to challenge with the contractor offering an out of court settlement. The same contract would be used to pursue funding for repairing defects.

It was resolved unanimously to:

1. Commission a strategic options appraisal study into rapid, mass transport options for Cambridge City and the surrounding travel to work area in conjunction with the Greater Cambridge Partnership Board.
2. Agree a total budget allocation of up to £100,000 in 2017/18 for the delivery of the strategic options appraisal study.
3. Delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Transport & Infrastructure and in conjunction with the Chair of the Greater Cambridge Partnership Board, to award a contract for the study provided that the collective value of the contract does not exceed the approved budget allocation.

## **71. FUTURE LOCAL TRANSPORT PLAN**

The Board received a report setting out the need to draw together into one plan the Local Transport Plans for Cambridgeshire and Peterborough. Attention was drawn to the approach to developing a new Local Transport Plan. There would be a budget allocation of up to £200,000 for 2017/18 and £300,000 in 2018/19 for the delivery of a



new plan. There would also be a 7-10 year rolling programme for major schemes to be developed.

It was resolved unanimously to:

1. Commission the development of a new Local Transport Plan for the Combined Authority.
2. Agree a total budget allocation of up to £500,000 in 2017/18 and 2018/19 for the delivery of the new Local Transport Plan.
3. Delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Transport & Infrastructure, to commission the development of the new Local Transport Plan including requisite third party specialist inputs provided that the value of the commissioned services does not exceed the approved budget allocation.

## **72. HOUSING INVESTMENT FUND PROGRAMME: QUICK WINS**

The Portfolio Holder New Homes and Communities presented a report setting out an initial portfolio that accelerated the delivery of affordable housing. The first phase of schemes would see delivery in each of the constituent council areas targeted by the Government funding of £100m secured to deliver 2,000 affordable homes across Cambridgeshire and Peterborough. Attention was drawn to 11 schemes from six providers which would provide 253 homes. These homes had been selected by applying shortlisting criteria detailed in Section 3.6 of the report. It was noted that these homes would accommodate lower paid key workers who would support the maintenance of key public services in higher value market areas. The Authority grant per unit was £18k, and there would be shared ownership and affordable rent homes. It was noted that the scheme rules to manage investment over the next few years would be presented to the next meeting.

The Board welcomed the report which provided an even handed approach to all areas within the Combined Authority area. Members were reminded that Cambridge City was not included as it had a separate ring-fenced grant of £70m for affordable housing. The Chief Executive reported that this funding had been passported to the City Council to act on behalf of the Combined Authority. However, the Combined Authority was responsible for accounting back to government.

One Member drew attention to the innovative model used by Palace Green Homes. Community Land Trusts were a different way of delivering housing development from within the community. *Councillor Bailey declared a disclosable pecuniary interest under the Code of Conduct as a Director of Palace Green Homes and did not vote on this item. Councillor Holdich also declared a disclosable pecuniary interest under the Code of Conduct as a Director of Cross Key Homes and did not vote on this item.*

Another Member commented that it was not uncommon for there to be slippage on such schemes. However, it was important to note that the Authority was granting money on the basis of schemes being delivered quickly. There was therefore a need to obtain direct assurance as part of the contract that the houses would be delivered within timescale. The Portfolio Holder confirmed that funding would only be released once the

developer had satisfied certain criteria. It was suggested that 50% of the funding should be predicated on completion.

In conclusion, the Mayor thanked Stephen Hills, Director of Housing at South Cambridgeshire District Council, and officers of the Combined Authority for their work on this proposal.

It was resolved unanimously to:

1. Commit grant funding of £4.56m for the initial portfolio of affordable housing schemes
2. Delegate authority to the Chief Executive, in consultation with the Portfolio Holders of the Delivery Group to approve the release of grant funding on application for draw down of the funds by the providers and take all necessary steps to ensure delivery of the affordable housing schemes
3. Note the intention to bring forward detailed proposals for the management of the Housing Investment Fund including the rules, procedures and levels of delegation, to the Combined Authority Board in September 2017.

### **73. HOUSING STRATEGY**

The Portfolio Holder New Homes and Communities presented a report detailing a proposal to develop a Housing Strategy for Cambridgeshire and Peterborough for the next twenty years which would address the current housing challenges facing the area. The principles of the strategy would include an ambitious plan to deliver over 100,000 new homes including 40,000 affordable homes by 2037. The strategy would drive innovation and solution-focused approaches, and explore further opportunities for CLTs. It was also important to improve standards in existing homes and encourage the best use of all homes. The Authority needed to engage in building communities which took account of a wide range of housing needs, and would be working with the Housing Finance Institute to achieve this.

The Police and Crime Commissioner welcomed the inclusion of the vulnerable and excluded such as those leaving care or prison as this would enable them to lead more stable lives. The CCG representative emphasised the importance of focussing on the health and wellbeing of communities in order to avoid storing up problems for the future. One Member highlighted the need to achieve as much as possible within the next ten rather than twenty years in order to buck the historical trend in house building. The Mayor acknowledged that the ability to deliver infrastructure was key in relation to house building.

It was resolved unanimously to:

1. Agree the approach to developing the Housing Strategy
2. Agree a budget allocation of up to £150k in 2017/18 for the development of the Housing Strategy

## **74. INVESTMENT STRATEGY AND FUND**

The Portfolio Holder for Fiscal Strategy presented a report setting out the principles which should form the centre of an Investment Strategy for Cambridgeshire and Peterborough. The funding devolved to the Combined Authority totalled around £770m over the next three years. This left a funding gap between the resources available to the Authority and investment needs of the area. It was proposed to establish a Fund that built on the financial package from Government that formed the basis of the Devolution Deal. The purpose of this Fund would be to attract further public and private sector investment, and to target resources into specific programmes and projects. It was proposed to take three projects which set out at a high-level the aspirations of the Combined Authority to market in order to assess the potential for private and public sector investment to unlock them.

Members queried the reasons behind the three projects being selected. It was noted that none of the projects could be achieved unless the Authority aligned itself to test the market. Members were informed that all three projects were capable of being monetised. It was possible to get two levels of measured return relating to economic return or social economic return.

It was resolved unanimously to:

1. Approve the features and principles of the Cambridgeshire and Peterborough Investment Strategy;
2. Approve the establishment of a Fund to attract further public and private sector investment;
3. Agree that the following key strategic projects were in the CPCA pipeline were taken to market to assess their potential for private and public sector investment:
  - a) Dualling of the A47
  - b) Wisbech Garden Town
  - c) Cambridge Rapid Mass Transport
4. Approve a budget of £25,000 to carry out this work.

## **75. THE NON-STATUTORY SPATIAL PLAN FOR CAMBRIDGESHIRE AND PETERBOROUGH**

The Board was informed of the need for a Non Statutory Spatial Plan (NSSP) to enable the Combined Authority to reflect spatially across Cambridgeshire and Peterborough its vision, objectives, and growth and investment priorities. Members were informed that it was not about replacing the local planning process or responsibilities. Instead it provided additional understanding to enable the Authority to have an overview of the supply of land for new homes and jobs. It would connect the Authority's plans with those beyond Cambridgeshire and Peterborough's boundaries. It would also give the Authority the ability to map the totality of new infrastructure requirements.

Members welcomed the report which provided an excellent way forward. It was noted that there was value here to create gross value tax receipts in areas of the county which

were underperforming. The NSSP provided a vision of the future that if the Authority did all these things this was the return it could expect.

One Member queried the powers of the Mayor in relation to publically held land. This was important if the Authority wanted to join up land to maximise the benefits for the community. The Chief Executive reported that these powers were not connected to the NSSP. The Combined Authority had purposely not sought statutory powers and it was noted that it had been decided not to take compulsory purchase powers at this stage. One Member raised the need to ask for these powers as a last resort if development was being held up. The Mayor acknowledged the need to make this request.

It was resolved unanimously to:

1. Note the purpose and value of the Non Statutory Spatial Plan (NSSP) for the achievement of the Combined Authority's vision and objectives;
2. Agree the approach outlined to undertake the development of the Non-Statutory Spatial Plan for the Combined Authority area;
3. Note that work on producing the first part of the NSSP was to be completed by no later than February 2018 in parallel with other key work streams; and
4. Approve a budget of up to £150,000 to support the necessary work to develop the first part of the NSSP, including sufficient officer capacity and external support.

## **76. BUDGET UPDATE**

The Board received an update report to the 'Budget Report 2017/18 to 2018/19' as presented to its last meeting. In response to a query regarding the potential unrecoverable VAT liability, it was noted that VAT was being dealt with via a temporary method.

It was resolved unanimously to:

1. Note the budget updates as requested for approval in other Board reports on this meeting's agenda.
2. Note the updated budget and indicative resources for 2017/18 and 2018/19 as set out in Appendix A.

## **77. APPOINTMENT OF THE INTERIM CHIEF FINANCE OFFICER AND SECTION 151 OFFICER**

The Mayor agreed to take this report based on urgency grounds as the Chief Finance Officer (Section 151 Officer) for the Combined Authority, John Harrison, had resigned. The Authority was statutorily required to have in post a Chief Finance Officer appointed under Section 151 of the Local Government Act 1972. The Authority was asked to appoint an interim statutory Chief Finance Officer for the Combined Authority from amongst the constituent Council's Chief Finance Officers.

The Mayor thanked John Harrison, and wished him well for the future. It was noted that a report would be presented to the next meeting.

It was resolved unanimously to:

- (a) appoint a Chief Finance Officer from amongst the constituent Councils Chief Finance Officers; and
- (b) report the named appointee to the September meeting of the Board.

## **78. REPORT FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

The Mayor agreed to take this report based on urgency grounds as Overview and Scrutiny Committee had only met two days before the Board meeting and would want to put the revised arrangements in place at its next meeting, which was before the next Board meeting in September. Members agreed to allow the Vice-Chair of the Overview and Scrutiny Committee, Councillor Terry Hayward, to speak to the Board.

Attention was drawn to the recommendations from the Overview and Scrutiny Committee, which produced the following responses from the Board:

- the need for any recommendation from the Overview and Scrutiny Committee to be written down and considered at the relevant report rather than as one item.
- the Chair of the Overview and Scrutiny Committee should be in attendance to answer any questions the Board might wish to ask, at the discretion of the Mayor.

Councillor Count proposed an amendment, seconded by Councillor Price, to replace recommendation 1 with the following: consider any written recommendation from the Overview and Scrutiny Committee to the Board at consideration of the relevant report, and that the Chair was available to answer any questions the Board might wish to ask, at the discretion of the Mayor. On being put to the vote, the amendment was carried.

The Mayor reported that the ability of Overview and Scrutiny to provide overview was vital to the development of the Combined Authority. The Committee would be presented with the draft four year plan when available. Other Members commented on the value of the overview function of the Committee. One Member asked that the Committee ensure the two member appointments for one Portfolio Holder did not ask the same questions.

It was resolved unanimously to:

1. consider any written recommendation from the Overview and Scrutiny Committee to the Board at consideration of the relevant report, and that the Chair was available to answer any questions the Board might wish to ask, at the discretion of the Mayor.
2. that should a further Combined Authority Plan be proposed, following the end of the first 100 day plan, that plan was developed in consultation with the Overview

and Scrutiny Committee and that all future similar plans brought forward were also developed in consultation with the Overview and scrutiny Committee.

3. to note that the Committee had agreed to appoint shadow portfolio holders from within the Overview and Scrutiny Committee membership (Appendix 1);
4. to note that the Committee had heard from the Mayor and two portfolio holders at their last two meetings. The Committee welcomed discussions with the portfolio holders and would propose that for future meetings:
  - a) the Portfolio Holders should prepare a 10 minute presentation for the Committee;
  - b) the Committee will send questions to portfolio holders in advance of the meeting but may ask a number of supplementary questions.

#### **79. DATE OF NEXT MEETING**

It was resolved unanimously to note the date of the next meeting: Wednesday 27 September 2017 at 10.00am at Cambridge City Council, The Guildhall, Market Hill, Cambridge CB2 3QJ

Mayor



**Agenda Item No: 1.2**

**EXTRAORDINARY MEETING OF CAMBRIDGESHIRE & PETERBOROUGH  
COMBINED AUTHORITY: MINUTES**

**Date:** Monday, 4th September 2017

**Time:** 1.04pm - 2.02pm

**Present:** J Palmer (Mayor)

Councillors A Bailey – East Cambridgeshire District Council (substituting for C Roberts), G Bull – Huntingdonshire District Council (substituting for R Howe), J Clark – Fenland District Council, S Count – Cambridgeshire County Council, W Fitzgerald - Peterborough City Council (substituting for J Holdich), L Herbert – Cambridge City Council, and P Topping – South Cambridgeshire District Council

**Observers:** J Bawden (Cambridgeshire and Peterborough Clinical Commissioning Group) and Councillor K Reynolds (Chairman, Cambridgeshire and Peterborough Fire Authority)

**80. APOLOGIES AND DECLARATIONS OF INTERESTS**

Apologies received from Councillors J Holdich, R Howe and C Roberts; M Reeve (Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP)). There were no declarations of interest.

**81. OFFICER AND SUPPORT STRUCTURE – CALL-IN**

The Mayor reported that the extraordinary meeting had been called to consider the response of the Board to the Overview and Scrutiny Committee's call-in of the decision taken by the Board on 26 July 2017 in relation to the officer and support structure. He explained that the Overview and Scrutiny Committee had made a number of recommendations. He invited the Chairman of that Committee, Councillor John Batchelor, to present those recommendations.

The Chairman of the Overview and Scrutiny Committee drew attention to the Committee's recommendations as set out in Section 2.6 of the report. Before detailing the specific reasons for the call-in, he highlighted the 25% increase in the staffing budget and the need to avoid duplication. He explained that the Committee was concerned about the increase in the staffing budget which it felt was a symptom of a wider concern. The concern was that the Combined Authority Board might be making important decisions involving significant sums of public money without the proper information or the level of officer support needed to allow for those decisions to be informed decisions.

He welcomed the Chief Executive's report giving more detail on the staffing proposals. He acknowledged the need for the staffing structure to be in place as soon as possible to make sure that the decision making process was properly supported. However, there were still issues to be addressed. He queried how attractive a nine-month interim appointment of the Director for Skills would be to the quality of the applicant required. There also appeared to be no officer taking responsibility for the reform of local government. Given that it would be some time before Director level support was in place, the Board would need to be confident that it had the support and information it needed to make key decisions before commitments were made.

He reported that it was stated at the call-in meeting that the Committee would have the facility for more involvement in the pre-decision process. He reminded the Board that there were now designated committee members shadowing board functions. He hoped that developing a role for them to work more closely with portfolio holders would be progressed, as it might be productive. Although not part of the recommendations, the Committee was also requesting it received reports at an earlier stage in the process, as this would greatly help its understanding of issues, and effectiveness.

The Mayor then asked the Chief Executive, as Head of Paid Service, to respond to the Committee's recommendations. The Chief Executive reminded the Board that the Cambridgeshire and Peterborough Combined Authority was the first authority established from a standing start since 1974. At the same time as establishing every aspect of its operation, the Authority was also putting in place the most effective delivery mechanism in order to deliver a substantial amount of business. There had been a significant amount of learning over the last three months, he reported that there were now new arrangements in place to support decision making, which were set out in section 3.2 of the report.

The Chief Executive highlighted the fact that the Authority was different from other Local Councils including that it was not accountable for delivering services. The organisation was instead charged with delivering the following: Policy Development; Strategic Programmes; Contracting and strategic client function; and Programme Assurance. The nature of this business meant that the staffing model needed to remain flexible and agile. Staffing would therefore be a mix of interims, secondments and where appropriate permanent positions. The approval of the staffing structure budget would represent the start of a process. It was proposed to present a report to the next meeting of the Board to agree the membership and terms of reference of an Employment Committee.

Members were reminded of the substantial investment of new money in the area and what it was expected to be in the next two years. It was therefore essential that the Combined Authority operated collectively with its partners and specifically local authorities, the Greater Cambridge Partnership (GCP), the Local Enterprise Partnership (LEP) and Opportunity Peterborough. It was important the Authority used the public sector wider network to support skills and capacity. It was noted that in 2017/18, 20% of overall staffing costs reflected support from other authorities. Members were informed that the proposed staffing structure built on these arrangements. The Chief Executive also drew attention to the need for staffing to support the Mayor's Office. These proposals had been developed following the receipt of Legal and HR advice.



In conclusion, the Chief Executive reported that the cost of staffing the Combined Authority was £1,027k, and the cost of the Mayor's Office was £146k, in 2017/18. The total cost was £1,632k. The additional budget provision required was now £349.1k which was less than the figure reported at the previous meeting.

The Mayor invited the Board to ask any questions of the Chairman of the Overview and Scrutiny Committee and the Chief Executive. As no questions were received, he then invited Members to debate the recommendations contained in the report. In discussing the report, individual members of the Board raised the following:

- acknowledged that the Combined Authority, assisted by the leadership of the Mayor, had made an energetic start to deliver a large programme with a limited number of staff resulting in considerable achievements.
- acknowledged the need for a significant uplift in staffing particularly when reflecting back on earlier discussions in March regarding the deferral of the Chief Executive post. Other Members reminded the Board that it would not have been appropriate to appoint to this post before the election of the Mayor. As a result, it had been a joint decision to defer the appointment to ensure that the new Mayor was involved in the appointment of the successful applicant.
- expressed concern that there had been no consultation with the Combined Authority before the report had been presented to its July meeting. These concerns were acknowledged by a number of Members. It was agreed that more discussion would be helpful in the future.
- welcomed the valuable contribution of the Overview and Scrutiny Committee, which had delivered a helpful overview.
- welcomed the explanation from the Chief Executive in particular the reflection and areas for improvement. A number of Members acknowledged the importance of learning lessons in order to improve. One Member reiterated the importance of how the Authority worked with other authorities, the GCP and the LEP in relation to staffing. The proposal for more time for Overview and Scrutiny to digest and respond to reports was also welcomed.
- acknowledged that the Chief Executive had given greater clarity regarding the approach to commissioning. However, there was still a need to understand the risk of delivering certain aspects.
- expressed concern that there had still not been adequate discussion about the staff roles. One Member commented that several elements of the proposed staff structure did not meet the brief. He also added that it had not been defined how commissioning would work.
- stressed the need for the Mayor and the Combined Authority to work as a team. The Authority and the Mayor needed to work together to shape the structure. One Member highlighted the importance of working with local authorities on staffing in relation to spatial planning and housing. He hoped that the Combined Authority could still tweak the overall budget. He asked to assist with secondments and

interim arrangements particularly as appointments were not due to be made until January - March.

- acknowledged that all Members were unlikely to agree on the minutiae of issues.
- supported the need for an Interim Director of Skills. It was noted that it would be a tough job which might strain existing relationships. A different person would then need to take forward this agenda when a new operating model had been determined.
- expressed concern about the role of the political advisor. Whilst respecting the right of the Mayor to appoint to such a post, one Member asked for it to be advertised and for there to be an open process. Another Member commented that the legislation allowed the Mayor to make his own appointment. Given the political make-up of the Board, it was inevitable the appointment would be from the Mayor's own political party.
- acknowledged that given the speed the Authority was working, it was effectively learning as it went along. However, it was important that the speed was maintained in order to get things done. The Authority was different to local authorities, it needed to be fleet of foot and agile. It was therefore important to identify the best way to operate.
- highlighted the quantum of funding which was around £600m of new money with £100m already in the Authority's account. It was a significant amount of money when compared to District/City budgets. Members were reminded that the Authority had a limited number of staff working to commission services. However, it also needed staff to speak to Government about other pots of funding. It was acknowledged that members had not been aware pre-election of how much the Authority would actually cost to run.
- welcomed the contribution of officers to date to the operation of the Combined Authority. However, whilst borrowing officers had worked in the short-term it was not sustainable in the future.
- acknowledged that the approach of setting the Combined Authority with the responsibility for major strategic programmes was correct. However, front loading expertise and professionalism created a cost and risk.]
- highlighted the need to consider staffing costs as a percentage of the amount of Government grant. It was suggested that programmes should reflect the cost of salaries by ratio. It was also suggested using a metric to identify how much staff costs compared with other Combined Authorities.
- highlighted the impact on the effectiveness of the GCP, under the leadership of Councillor Herbert, of a new professional team to drive work forward. It was suggested that this could be applied to the Combined Authority.
- highlighted the need to appoint people with the right skills to deliver projects quickly. If these skills existed in partner authorities, they should, if possible, be utilised.

The Mayor thanked the Chairman of Overview and Scrutiny Committee. He drew attention to what the new Authority had achieved but recognised the need to learn from experience in order to improve processes. He would therefore be having regular and open discussions with leaders. He acknowledged that he had been instrumental in making sure the Authority moved at pace as he expected things to happen quickly but clearly there were risks associated with this approach.

He thanked the Chief Executive and his team for their hard work but stressed that it was unreasonable to ask them to continue to work at this pace without the right staff. The Authority needed the right people to bid for money in order to achieve improvements in the county otherwise it would lose out. He reminded the Board that he had been clear that the officer establishment would number fewer than 20 employees based on current responsibilities. The proposed staffing structure, including the Mayoral office, would be only 18. He added that it was possible for a small structure to deliver if it had the right people.

The Mayor stressed the need for the Combined Authority to change the way Cambridgeshire went about its business. This meant providing good quality housing and an acceptable time to commute to and from work. A lean Authority would deliver projects efficiently using the right processes. He apologised that the process had not been perfect but mistakes were understandable and should be learnt from.

The Mayor drew attention to his office. He reported that these proposals were no different to other combined authorities but considerably less compared to the Mayor of London. He stressed the importance of a chief of staff and personal assistant to enable him to spend fulfilling his responsibilities including more time talking to leaders. The Combined Authority was a living and breathing organism which had to be adaptive and reactive. It was therefore important to appoint the right people when a decision was required.

It was resolved by a majority to:

- (a) consider the recommendations of the Overview and Scrutiny Committee;
- (b) note the additional information provided by the Chief Executive in relation to the request of the Overview and Scrutiny Committee;
- (c) approve the revised proposals in respect of the officer structure as set out in the report;
- (d) approve the following posts on the basis of the additional information set out in the report:
  - 1) Director of Transport and Infrastructure
  - 2) Interim Director of Skills
  - 3) Housing Director
  - 4) Assistant Director
- (e) approve an additional budget allocation for staffing for 2017/18 as set out in the report.

Mayor

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**CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY**

**Wednesday, 27 September 2017**

**10:00a.m. – 1:00p.m.**

**Committee Rooms 1 & 2, Cambridge City Council, Guildhall, Cambridge CB2 3QJ**

**AGENDA**

**Open to Public and Press**

<b>Number</b>	<b>Agenda Item</b>	<b>Mayor/ Lead Member/ Chief Officer</b>	<b>Papers</b>	<b>Pages</b>
	<b>Part 1 – Governance items</b>			
1.1	Apologies and Declarations of Interests	Mayor	oral	-
1.2	Minutes – 26 July 2017 & 4 September 2017	Mayor	yes	4 - 22
1.3	Petitions	Mayor	oral	-
1.4	Public Questions	Mayor	oral	-
1.5	Membership of the Combined Authority - Amendments	Mayor	yes	23 - 25
1.6	Appointment of the Interim Chief Finance Officer and Section 151 Officer	Chief Executive	yes	26 - 28

<b>Number</b>	<b>Agenda Item</b>	<b>Mayor/ Lead Member/ Chief Officer</b>	<b>Papers</b>	<b>Pages</b>
1.7	Employment Committee and Appointment of Mayoral Adviser and Chief of Staff	Chief Executive	yes	29 - 35
1.8	Forward Plan	Mayor	yes	36 - 48
	<b>Part 2 –Decisions</b>			
2.1	Department for Communities and Local Government (DCLG) National Infrastructure Fund	Portfolio Holder for New Homes and Communities	yes	49 – 58
	<b>Part 3 – Date of next meeting</b>			
3.1	Date: Wednesday 25 October 2017 at 10.30am  Venue - East Cambridgeshire District Council, The Grange, Nutholt Lane, Ely, Cambs CB7 4EE	Mayor	oral	-

The Combined Authority currently comprises the following members:

Mayor: J Palmer

Councillors: J Clark, S Count, L Herbert, J Holdich, R Howe, C Roberts and P Topping

LEP Chairman M Reeve

Substitute members: Councillors A Bailey, D Brown, W Fitzgerald, R Hickford, K Price, W Sutton & N Wright; LEP substitute member to be confirmed

Observers: J Ablewhite (Police and Crime Commissioner), J Bawden (Clinical Commissioning Group), and Councillor K Reynolds (Chairman - Cambridgeshire and Peterborough Fire Authority)

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Monitoring Officer no later than 12.00 noon three working days before the meeting. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked.

For more information about this meeting, please contact Michelle Rowe at the Cambridgeshire County Council's Democratic Services on Cambridge (01223) 699180 or by email at

[michelle.rowe@cambridgeshire.gov.uk](mailto:michelle.rowe@cambridgeshire.gov.uk)

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**CAMBRIDGESHIRE &  
PETERBOROUGH  
COMBINED AUTHORITY'S  
FORWARD PLAN OF  
EXECUTIVE DECISIONS**

PUBLISHED: 15 SEPTEMBER 2017

# FORWARD PLAN

## **KEY DECISIONS**

In the period commencing 28 clear days after the date of publication of this Plan, the Cambridgeshire and Peterborough Combined Authority intends to take 'key decisions' where indicated in the table below. Key decisions means a decision of a decision maker, which in the view of the overview and scrutiny committee for a combined authority is likely—

- (i) to result in the combined authority or the mayor incurring significant expenditure, or the making of significant savings, having regard to the combined authority's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the combined authority.

This Plan should be seen as an outline of the proposed decisions for the forthcoming month. Any questions on specific issues included on the Plan should be included on the form which appears at the back of the Plan and submitted to Kim Sawyer, the interim Monitoring Officer for the Combined Authority. For each decision a public report will be available one week before the decision is taken.

## **NOTIFICATION OF NON-KEY DECISIONS**

For complete transparency relating to the work of the Combined Authority, this Plan also includes an overview of non-key decisions to be taken by the Combined Authority

You are entitled to view any documents listed on the Plan, or obtain extracts from any documents listed or subsequently submitted to the decision maker prior to the decision being made, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on the notice and relevant documents subsequently being submitted can be requested from Kim Sawyer, the interim Monitoring Officer for the Combined Authority.

All decisions will be posted on Cambridgeshire County Council website, or the Combined Authority website, once established. If you wish to make comments or representations regarding the decisions outlined in this Plan, please submit them to Kim Sawyer, the interim Monitoring Officer for the Combined Authority using the form attached.

<b>DECISION REQUIRED</b>		<b>DECISION MAKER</b>	<b>DATE DECISION EXPECTED</b>	<b>KEY DECISION / DECISION</b>	<b>CONSULTATION</b>	<b>CONTACT DETAILS / REPORT AUTHORS</b>	<b>LEAD MEMBER</b>	<b>DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES AND REASONS FOR EXEMPTION)</b>
1.	<b>Minutes of the Meeting on 26 July 2017</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>27 September 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
2.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>27 September 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority	Councillor Steve Count, Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
3.	<b>DCLG Housing Infrastructure Fund</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>27 September 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Councillor Peter Topping, Portfolio Holder for New Homes and Communities	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
4.	<b>Employment Committee and Appointment of Mayoral Adviser and Chief of Staff Adviser</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>27 September 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Paul Smith Human Resources Peterborough City Council	Not applicable	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
5.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>27 September 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	James Palmer, Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

6.	<b>Appointment of Interim Chief Finance Officer</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>27 September 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
7.	<b>Membership of the Combined Authority – Amendments -</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>27 September 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Kim Sawyer, Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
8.	<b>Minutes of the Meeting on 27 September 2017</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
10.	<b>St Neots Masterplan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Key Decision 2017/018</b>	Relevant internal and external stakeholders	Dan Thorp Programme Manager	Councillor Robin Howe Deputy Mayor & Portfolio Holder for Economic Strategy	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
11.	<b>Priority Transport and Infrastructure Schemes</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Key Decision 2017/019</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive,	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

12..	<b>Land Commission Governance</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Councillor Lewis Herbert, Portfolio Holder for Strategic Planning	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
13.	<b>Budget Preparation and Consultation Proposals, and Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count, Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
14.	<b>Housing Delivery</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Key Decision</b> <b>2017/020</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Councillor Peter Topping, Portfolio Holder for New Homes and Communities	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
15.	<b>Housing Programme – Modular Housing</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 October 2017</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Councillor Peter Topping, Portfolio Holder for New Homes and Communities	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
16.	<b>Minutes of the Meeting on 25 October 2017</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>29 November 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
17.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>29 November 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count, Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

18.	<b>East/West Connectivity - Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>29 November 2017</b>	<b>For Information</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive,	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
19.	<b>Bus Review</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>29 November 2017</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
20.	<b>Peterborough University Centre, Phase 2 - Business Case Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>29 November 2017</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Jo Lancaster, Chief Executive Huntingdonshire District Council	Councillor John Clark Portfolio Holder for Employment and Skills,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
21.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>29 November 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
22.	<b>Minutes of the Meeting on 29 November 2017</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

23.	<b>New Combined Authority Visioning and Strategic Priorities</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
24.	<b>Public Sector Reform</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
25.	<b>Wisbech Garden Town Feasibility Study Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>For Information</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
26.	<b>Major Road Business Case Development (A10, A47 M11 Update)</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
27.	<b>Investment Strategy</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Councillor Robin Howe Deputy Mayor & Portfolio Holder for Economic Strategy	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

28.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count, Portfolio Holder for Fiscal,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
29.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>20 December 2017</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
30.	<b>Minutes of the Meeting on 20 December 2017</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>31 January 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
31.	<b>Rail Projects Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>31 January 2018</b>	<b>For Information</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
32.	<b>Economic Commission - Progress</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>31 January 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Councillor Robin Howe Deputy Mayor & Portfolio Holder for Economic Strategy	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.



33.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>31 January 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count, Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
34.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>31 January 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
35.	<b>Budget 2018/19</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>14 February 2018</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority	Councillor Steve Count, Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
36.	<b>Minutes of the Meeting on 31 January 2018</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
37.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
38.	<b>Skills Strategy</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Key Decision</b> <b>2018/002</b>	Relevant internal and external stakeholders	Jo Lancaster, Lead Officer for Learning Skills Work Stream	Councillor John Clark, Portfolio Holder for Employment and Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

39.	<b>Centre for Skills Progress Report</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Key Decision 2018/012</b>	Relevant internal and external stakeholders	Jo Lancaster, Chief Executive Huntingdonshire District Council	Councillor John Clark Portfolio Holder for Employment and Skills,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
40.	<b>Rapid Transport</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
41.	<b>Local Transport Plan Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>For Information</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Mayor James Palmer/ Councillor Charles Roberts Portfolio Holder for Transport and Infrastructure,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
42.	<b>Non-Statutory Spatial Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Key Decision</b>	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Councillor Lewis Herbert, Portfolio Holder for Strategic Planning	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
43.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count Portfolio Holder for Fiscal,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

44.	<b>Budget Report 2018/19 to 2021/22 including Mayors Budget</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 February 2018</b>	<b>Key Decision</b>  <b>2018/001</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
45.	<b>Minutes of the Meeting on 28 February 2018</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 March 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
46.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 March 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
47.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 March 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count, Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
48.	<b>Housing Strategy and Action Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 March 2018</b>	<b>Key Decision</b>  <b>2018/003</b>	Relevant internal and external stakeholders	Antoinette Jackson Lead for New Homes Work Stream	Councillor Peter Topping, Portfolio Holder for New Homes and Communities	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
49.	<b>Minutes of the Meeting on 28 March 2018</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 April 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

50.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 April 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
51.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>25 April 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count, Portfolio Holder for Fiscal	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
52.	<b>Annual Meeting:– To consider actions detailed in Section 3.2 of the Combined Authority’s Constitution</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>Annual Meeting 30 May 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Kim Sawyer, Interim Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
53.	<b>Minutes of the Meeting on 25 April 2018</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>Annual Meeting 30 May 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
54.	<b>Forward Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>Annual Meeting 30 May 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
55.	<b>Budget Update</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>Annual Meeting 30 May 2018</b>	<b>Decision</b>	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count Portfolio Holder for Fiscal,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

**SUBMIT YOUR COMMENTS OR QUERIES TO  
CAMBRIDGESHIRE AND PETERBOROUGH COMBINED  
AUTHORITY**

Your comment or query:

How can we contact you with a response?  
(please include a telephone number, postal and/or e-mail address)

Name .....

Address .....

.....

Tel: .....

Email: .....

Who would you like to respond?

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

Report by: Yvonne O'Donnell Environmental Health Manager

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee

Wards affected: All

### Review of Corporate Enforcement Policy

#### Not A Key Decision

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#### 1. Executive summary

- 1.1 In 2014 the new enforcement policy was adopted. The Policy included a provision for it to be reviewed after three years.
- 1.2 The review has allowed for amendments to be completed taking into account operational and legislative changes. It has also taken into account feedback the Council has received.
- 1.3 The review of the policy has resulted in its remaining broadly unchanged but with minor amendments to wording and clarity around:
  - Section 2 Enforcement activity
  - Section 5 Principles of enforcement
  - Section 5.2.7 Other Considerations
- 1.4 Additional information has been included in
  - 6.6 Fixed Penalty Notices and Penalty Charges
- 1.5 The amendments have not effected the application or principals of the policy.
- 1.6 The Service Standards for each of the different functions that are appendices to the main enforcement policy may from time to time be subject to change, these, unless significantly changed will not need committee approval and can be agreed by the relevant head of service.

## 2. Recommendations

2.1 The Leader of the Council is recommended to consider the proposed changes and adopt the revised Corporate Enforcement Policy 2017 attached as Appendix 1

## 3. Background

3.1 The Corporate Enforcement Policy forms the basis under which specific service enforcement policies are derived. The Council expects all officers taking enforcement decisions to take this policy as a guide when making their decision.

3.2 The policy is essential to provide clarity to residents and businesses in the way we act, as well as, minimising risks associated with failed enforcement action.

3.3 It is important the policy is kept up to date to ensure that it both follows operational changes within the Council and legislative changes that may have come into force. The policy must remain robust and able to stand up to scrutiny in the case that a member of the public or business makes a complaint relating to the way we have handled their case or the decision we have made to take enforcement action.

3.4 Each service which deals with enforcement has its own standard setting out the level of service and performance that the public and businesses can expect from them. These standards work in conjunction to the policy and are appendices to the policy. These standards are published within individual service areas. They allow for greater clarification around specific enforcement roles.

3.5 *Section 6.6 Fixed Penalty Notices and Penalty Charges* The most significant part of the review found that change was appropriate and necessary in this section. Recent changes in legislation have made it possible to serve a civil penalty notice for certain Housing Act 2014 offences meaning there may be an increase in this type of action. Changes have also been made in response to a previous feedback relating to service of a fixed penalty notice for littering. Specific details relating to service of this type of notice will continue to be specified in the relevant service standards. The changes have taken into account current government guidance.

3.6 *Section 2 "Enforcement Activity"*. This section has been amended by the deletion of confusing and unnecessary wording included within the tables and subheadings. This does not affect enforcement activities but helps make the document more user friendly and improves clarity.

3.7 *Section 5 "Principles of enforcement"* Insertion of the following paragraph to improve clarity on legal obligations

- *"Although primary responsibility for compliance with the law rests with individuals and businesses, the Council will provide information and advice to help them understand their legal obligations and will seek to raise awareness about the need to comply"*



3.8 Section 5.2.7 “Other Considerations” The following paragraphs have been included for transparency within the enforcement policy.

- *“The Council will apply the principles of the Regulation of Investigatory Powers Act 2000 (RIPA) to all activities where covert surveillance, covert human intelligence sources, or communications data are used. In doing so, the Council will also take into account its duties under other legislation, in particular the Protection of Freedoms Act 2012; Human Rights Act 1998; and Data Protection Act 1998, and its common law obligations.”*
- *“The use of Body Cams must be in line with Cambridge City Councils Code of Practice [www.cambridge.gov.uk/body-worn-cctv-cameras](http://www.cambridge.gov.uk/body-worn-cctv-cameras)”*

The inclusion of these points does not affect how the policy will be applied as the Council already applies these principals and actions.

3.9 The policy is published on the Council’s website. Directors, Heads of Service and managers will need to cascade the amended policy to operational staff and ensure it is taken into account in all enforcement actions.

## **4. Implications**

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

The policy has no direct costs as services are staffed to undertake the relevant enforcement roles. Working to an up to date policy will reduce enforcement risks and support the potential award of costs for carrying out enforcement work.

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

There are no staff implications other than communicating the change and ensuring action is taken in accordance with the policy.

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

An EQIA has been previously completed at the introduction of the enforcement policy. The changes of the policy will not result in changes to this.

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

Nil Rating

### **(e) Procurement**

There will be no procurement implications

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

- The Amended policy has been consulted on via the website. No responses were received.
- An internal consultation has been carried out with key service areas.
- The update policy will be placed on the website

## **(g) Community Safety**

The Policy is used to guide the way we enforce appropriate legislation that regulates the environment

## **5. Background papers**

The Enforcement Policy 2014

<https://www.cambridge.gov.uk/sites/default/files/documents/Enforcement-Policy.pdf>

Issuing fixed Penalty Notices Guidance

<https://www.gov.uk/guidance/enforcement-officers-issuing-fixed-penalty-notices>

## **6. Appendices**

Appendix 1 Updated Corporate Enforcement Policy 2017

## **7. Inspection of papers**

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

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# **Corporate Enforcement Policy**

**October 2017**

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# 1. Introduction

The Legislative and Regulatory Reform Act 2006 (2006 Act) requires Local Authorities to have regard to the Principles of Good Regulation when exercising a specified regulatory function.

A new Regulators' Code came into force in April 2014 and Regulators must have regard to the Code when developing policies and operational procedures that guide their regulatory activities. If a regulator concludes, on the basis of material evidence, that a specific provision of the Code is either not applicable or is outweighed by another relevant consideration, the regulator is not bound to follow that provision but should record that decision and the reasons for it.

The Council fully supports the principles set out in the 2006 Act and the Regulators Code and has set out within this Enforcement Policy the procedures to be adopted by all services and officers exercising any enforcement functions. The Council is committed to services which are courteous and helpful and seeks to work with individuals and businesses, wherever possible, to help them comply with the law.

The Council, nevertheless, acknowledges the need for firm action against those who flout the law and put consumers and others at risk. The Council expects all officers taking enforcement decisions to take this Policy as a guide when making their decision. Every case must be decided on its own individual facts. Officers must ensure that, if they depart from the Policy when they make their decision, they can provide reasons for doing so.

This document represents the Council's Corporate Enforcement Policy, and supersedes any previous corporate policy statements on enforcement. It may be supplemented in some cases, by more specific and detailed service policies.

## 2. Enforcement activity

The Council has a duty and a power to take action to enforce a wide range of statutes relating to:

- public health and safety,
- quality of life,
- preservation of public and residential amenity
- maintenance of the environment and
- protection of public funds.

All of these activities will be carried out having regard to the general principles of good enforcement practice outlined in this Policy. Although not exhaustive the service areas falling within the scope of this policy include:

Noise pollution and control	Public Health
Environmental Protection	Health and Safety at Work
Food Safety	Private Sector Housing including HMOs
Animal Welfare	Pest Control
Dog Warden Services	Licensing
Development and use of land – planning	Advertisements
Building regulation applications	Plan assessments and site inspections
Building regulations and building related advice	Safety at sports grounds and temporary stands
Naming and numbering of streets and properties	Approved inspector notifications
Competent persons schemes	
	Demolition notices
Dangerous structures	Street Trading
Markets and other street licensing functions	Listed Buildings
Conservation Areas	Tree Preservation
High hedges	River Mooring
Revenue Recovery	Council Tax and National non-domestic rate fraud
Antisocial Behaviour and neighbour nuisance	Harassment and Illegal Evictions
	Abandoned Vehicles
Streets and Open Spaces Public Realm Enforcement	Illegal encampments

## Enforcement and Service Standards

Enforcement standards which relate to service areas and specific legislation they enforce form separate appendices. The Standards must still be used with reference to the Enforcement Policy.

Environmental Health	<a href="https://www.cambridge.gov.uk/sites/default/files/documents/Env-health-Service-standards.pdf">https://www.cambridge.gov.uk/sites/default/files/documents/Env-health-Service-standards.pdf</a>
Planning Services	<a href="https://www.cambridge.gov.uk/sites/default/files/documents/Planning_Enforcement_Service_Standards.pdf">https://www.cambridge.gov.uk/sites/default/files/documents/Planning_Enforcement_Service_Standards.pdf</a>
Fraud Prevention	<a href="https://www.cambridge.gov.uk/sites/default/files/enforcement-policy-service-standards-fraud-protection-team.pdf">https://www.cambridge.gov.uk/sites/default/files/enforcement-policy-service-standards-fraud-protection-team.pdf</a>
Anti – social Behaviour	<a href="https://www.cambridge.gov.uk/content/antisocial-behaviour-policy-and-procedure">https://www.cambridge.gov.uk/content/antisocial-behaviour-policy-and-procedure</a>
Streets and Open Spaces Public Realm Enforcement	<a href="https://www.cambridge.gov.uk/sites/default/files/documents/Streets_Open_Spaces_Service_standards.pdf">https://www.cambridge.gov.uk/sites/default/files/documents/Streets_Open_Spaces_Service_standards.pdf</a>

### 3. Delegation of authority

The Council's Scheme of Delegations specifies the extent to which enforcement powers are delegated to officers. Whilst delegation is mainly to officers, in some specific circumstances the decision to take enforcement action lies with the relevant Council Committee.

### 4. Objective

The approach adopted by services when carrying out the Council's duty to apply or enforce a wide range of legislation is intended to:

- Assist businesses and others in meeting their legal obligations without unnecessary expense
- Focus on prevention rather than cure
- Ensure that we enforce the law in a fair, equitable and consistent manner
- Take firm action when it is necessary and appropriate to do so.
- Carry out enforcement that is risk-based, consistent, proportionate and effective.

## 5. Principles of enforcement

Although primary responsibility for compliance with the law rests with individuals and businesses, the Council will provide information and advice to help them understand their legal obligations and will seek to raise awareness about the need to comply.

### 5.1. Overview

The Council believes in the principles of good enforcement, as set out in the 2006 Act, which must be adopted by the Council's services. The principles covered are:

- Courtesy and Helpfulness
- Clear Standards and Practices
- Consistency
- Openness
- Proportionality
- Training of Staff

The Council will employ the provisions of the Regulators' Code ('RC'). [www.gov.uk/government/publications/regulators-code](http://www.gov.uk/government/publications/regulators-code) We will observe any requirements of national bodies and, where practicable, national good practice guidance. Where appropriate, services will provide enforcement advice and information in accessible formats such as minority languages, large print, Braille and face to face.

We will adhere to the principles of the RC, as follows:

- Regulators should carry out their activities in a way that supports those they regulate to comply and grow
- Regulators should provide simple and straightforward ways to engage with those they regulate and hear their views
- Regulators should base their regulatory activities on risk
- Regulators should share information about compliance and risk
- Regulators should ensure clear information, guidance and advice is available to help those they regulate meet their responsibilities to comply
- Regulators should ensure that their approach to their regulatory activities is transparent

### 5.2. Specific Commitments

#### 5.2.1 Regulators should carry out their activities in a way that supports those they regulate to comply and grow

Effective and well-targeted regulation is essential in promoting fairness and protection from harm. We will ensure that our enforcement is proportionate



and flexible enough to allow and encourage economic progress, and provide help and encouragement to businesses in order that they can meet regulatory requirements more easily. We will keep under review our regulatory activities and interventions to ensure that we do not impose unnecessary burdens, paying particular attention to the impact we may have on smaller businesses. In this connection, we will consider the impact our regulatory interventions may have on such businesses to ensure that our interventions are fair and proportionate (by giving consideration to their size and the nature of their activities).

### **5.2.2 Regulators should provide simple and straightforward ways to engage with those they regulate and hear their views**

We will create effective consultation and feedback opportunities to enable continuing cooperative relationships with businesses and other interested parties. We will ensure that our employees provide a courteous and efficient service to businesses and seek the comments and views of regulated businesses. The Council has established and published a comprehensive complaints procedure which is available to any aggrieved party. <https://www.cambridge.gov.uk/compliments-complaints-and-suggestions>

In response to non-compliance that we have identified we will clearly explain what the non – compliant item or activity is, the advice being given and the action required or decision taken, and the reasons for these. We will provide an opportunity to discuss any such actions that need to be taken and any appeal process available.

### **5.2.3 Regulators should base their regulatory activities on risk**

Risk assessment will underpin our approach to planned regulatory activity (comprising inspections, data collection, advice and support, and enforcement and sanctions). We will target our efforts and resources where they would be most effective and rate risks to regulatory outcomes. We will base our risk assessment on all available and good-quality data and consider the combined effect of:

- the potential impact of non-compliance on regulatory outcomes; and
- the likelihood of non-compliance (where we will take into account past compliance and potential future risks and willingness to comply)

### **5.2.4 Regulators should share information about compliance and risk**

We follow the principle of “collect once, use many times” when requesting information from businesses. To help target resources and activities and minimise duplication we will share wherever possible information with other enforcement agencies.

### **5.2.5 Regulators should ensure clear information, guidance and advice is available to help those they regulate meet their responsibilities to comply**

Ensure that businesses are provided with, or signposted to, clear and accessible information on legal requirements relating to their operations. Targeted and practical information will be provided through a variety of means including on-site visits, telephone advice lines and online guidance ( both national and local guidance). We will endeavour to distinguish between legal requirements and advice or guidance which seeks to improve the basic level of practice. The response to a request for advice will be to provide such advice and to help secure compliance rather than directly triggering enforcement action.

#### **5.2.6 Regulators should ensure that their approach to their regulatory activities is transparent**

In consultation with business and all other relevant interested parties, we will draw up clear standards setting out the level of service and performance that the public and businesses can expect from our enforcement services, our approach to check on compliance, this enforcement policy, the fees and charges, if any and how they are calculated.. We will publish these standards within individual service areas and also our annual performance as measured against them. We will justify our choice of enforcement action to relevant interested parties, follow up enforcement actions where appropriate and enforce in a transparent, fair and consistent manner following the Code for Crown Prosecutors.

The information published will be easily accessible through single point on the Councils website which will be clearly signposted and kept up to date

#### **5.2.7 Other Considerations**

- The Council will consider the desirability of using formal enforcement in the case of a person who is elderly or is, or was at the relevant time, suffering from significant mental or physical ill health. It will balance this with the need to safeguard others, taking into account the public interest.
- The Council will consider its Safeguarding for Children and Vulnerable Adults Policy when determining what enforcement action we are considering. We are committed to safeguarding and promoting the welfare of children, young people and vulnerable adults. We take our responsibilities seriously and expect all of our staff to share this commitment [Safeguarding children and vulnerable adults policy](#)
- The Council will consider its Equality and Diversity Policy Statement and Equality Value Statement when determining what enforcement action we are considering and how we communicate the message. We believe in the dignity of all people and their right to respect and equality of opportunity. We value the strength that comes with difference and the positive contribution that diversity brings to our city. [Equalities & Diversity in Cambridge City Council](#)

- The Council operates a closed circuit television (CCTV) in the city. The code of practice for its operation can be found at this address: <http://www.cambridge.gov.uk/public/docs/CCTV%20code%20of%20practice.pdf>
- The Council will have regard to the Crown Prosecution Service public policy statements on dealing with cases which involve victims and witnesses who have a learning disability and victims and witnesses who have mental health issues.
- The Council's approach to the collection of Local Taxes [Council Tax & Business Rates] and in the recovery of overpaid Housing & Council Tax Benefit is one which seeks to strike a balance between the need to maximise income to the Council and the desire not to cause further hardship to the poorest within the community
- The Council will apply the principles of the Regulation of Investigatory Powers Act 2000 (RIPA) to all activities where covert surveillance, covert human intelligence sources, or communications data are used. In doing so, the Council will also take into account its duties under other legislation, in particular the Protection of Freedoms Act 2012; Human Rights Act 1998; and Data Protection Act 1998, and its common law obligations.
- The use of Body Cams must be in line with Cambridge City Councils Code of Practice ([www.cambridge.gov.uk/body-worn-cctv-cameras](http://www.cambridge.gov.uk/body-worn-cctv-cameras)).

## 6. Enforcement options

The Council recognises the importance of achieving and maintaining consistency in its approach to enforcement. For many areas of our enforcement activity government guidance already exists in the form of Codes of Practice, Planning Policy Guidance, and Government Circulars etc. There may also be local or regional Codes of Practice such as the Charter and Code of Practice for the collection of debts, which have been produced locally to promote consistency in our enforcement activity. When making enforcement decisions officers must have regard to any relevant national or local guidance as well as the provisions of the Human Rights Act 1998, Equalities Act 2010 and this Enforcement Policy.

### 6.1 Prevention

We believe that the first step in enforcement is to promote good practice, ensure policy compliance and prevent contravention of the law by raising awareness and promoting good practice. Methods of achieving this include training courses, seminars, special promotions, the issuing of press releases, newsletters, the Council's web site, the production of leaflets and other forms of written guidance and opportunities presented by day to day contact with businesses and other customers.

This approach will be applied when we are not aware of any specific contraventions of the law.

## **6.2 Approvals, Consents and Licences**

We provide a range of approvals consents and licences as specified by individual pieces of legislation. Most of these are compulsory, such as planning applications, licensing applications and building regulation approvals, but a few are optional. These are an important part of the preventative aspect of our work.

We will work with applicants to help them to understand what is required to gain approval through pre-application advice, published guidelines, and post-application discussion.

Applications may be approved as they are submitted, varied by agreement and then approved, approved subject to conditions, or rejected. Applicants, or their agents, will always be notified, in writing, of the outcome of their application, including the reasons if rejected. Details of any rights of appeal will be provided at the time the decision is notified.

Depending on which service is being provided, the kind of circumstances in which conditions may be attached include (but are not restricted to):

- Building work is not inherently wrong but plans need to be modified or further plans are required
- Developments would be refused if conditions were not attached
- Conditions are necessary to ensure that the purpose of an approval, licence or registration is adhered to (for example animal welfare conditions for a Pet Shop licence)
- Where a food premises meets all the infrastructure and equipment requirements for approval but does not fully comply with some other requirements

The circumstances in which applications may be refused include (but are not restricted to):

- Where plans do not show compliance with Building Regulations
- Where a reply to a plan assessment letter is not received, is received too late to allow an adequate response, or is unsatisfactory
- Where work, at inspection stage, does not meet minimum standards and remedial action is required
- Where contraventions exist.
- Where an application is against local policy
- Where there is reason to believe that the applicant will not comply with the purpose of a licence or registration or any conditions attached to it (for example where there have been previous infringements)
- Where a food business operator fails to meet all the structural and equipment requirements

Any rejection notice will inform the applicant, or their agent, of the reasons for refusal and any right of appeal.

### **6.3 Informal Action**

Where practicable we would prefer to avoid unnecessary costs for the customer, preferring their time and money to be invested in solutions rather than legal procedures. We will therefore use our best efforts to resolve situations where the law may have been broken without issuing formal notices, or taking other kinds of formal action.

Informal action will involve offering advice, mediation where appropriate, requests for action, or warnings, or seeking and monitoring the delivery of undertakings or timetabled schedules of action. General advice will not necessarily be confirmed in writing. Where more than the most minor contravention exists, we will confirm the situation in writing in a clear manner and explain why any recommendations are necessary and over what timescale they should be met. When we write we will make sure that legal requirements are clearly distinguished from recommendations. Informal action will be supported throughout by contact between the customer and Council officers.

This approach may be applied provided that the consequences of non-compliance are considered acceptable. This includes (but is not restricted to) occasions where the time period allowed to seek compliance does not present a significant risk to or impact on health, safety, welfare or the environment, and either:

- The contravention is not serious enough to warrant immediate formal action
- There is no demonstrable harm to the amenity of the area
- The past history (of the individual or business) suggests that informal action will achieve legal compliance in a reasonable timescale
- Standards are generally good, suggesting a high level of awareness of, and compliance with, statutory responsibilities
- The action is being taken on behalf of a customer, who prefers the matter to be handled informally

### **6.4 Formal Action**

Circumstances where formal action will be considered include (but are not restricted to):

- There is a significant contravention of legislation
- The wording of legislation requires the Council to take a specified action
- An informal approach has failed
- There is a history of non-compliance with informal action

- There is a lack of confidence in the successful outcome of an informal approach
- Standards are generally poor, suggesting a low level of awareness of, and compliance with, statutory responsibilities
- The consequences of non-compliance, for health, safety, the environment, or other Council priorities, are unacceptable and/or immediate
- There is demonstrable harm to the amenity of the area
- Effective action needs to be taken quickly in order to remedy conditions which are deteriorating
- Formal action is expected to achieve the desired outcome without incurring expense or inconvenience that is disproportionate to the risks
- Legal requirements, relevant formal guidance, or other Council policies or strategies require formal action to be taken
- A charge applied by a Fixed Penalty Notice has not been paid

In most situations before formal action is taken, we will provide an opportunity to discuss matters and, hopefully, resolve points of difference. The extent of this will depend on the seriousness of the contravention, and may not be possible where immediate action is considered necessary, e.g. where there is an immediate risk to health, safety or the environment, or where the formal action takes the form of a fixed penalty notice.

Only officers who have reached a sufficient level of competence will be given the delegated authority to take formal action. Formal action can take any form that the Council is empowered by legislation to take. The following will be the most commonly used.

## **6.5 Statutory Notices**

Many of the various pieces of legislation that we enforce provide for the service of 'statutory notices' on individuals, businesses and other organisations requiring them to meet specific legal obligations.

Where a 'statutory notice' is served, the method of appealing against the notice and the timescale for doing so will be provided in writing at the same time. The notice will explain what is wrong, what is required to put things right and what the likely consequences are if the notice is not complied with. In some cases a 'statutory notice' can be served to prevent the occurrence or recurrence of a problem e.g. a noise nuisance. In most cases, failure to comply with a 'statutory notice' will result in more severe formal action being taken.

In some cases such as Housing Notices there will be a charge for when the notice has been served.

## **6.6 Fixed Penalty Notices and Penalty Charge Notices (Civil & Criminal)**

These are notices that apply a penalty for specific offences (listed in each service standard ). The service standards will include details of the level of fine, any early payment discount, what will happen if offenders don't pay and where it differs from this section and the over-arching enforcement policy and where appropriate how FPNS are issued, how to appeal, how the money received from FPNS will be spent and what records will be kept.

In general a penalty notice will only be issued when:

- an offence has been committed
- an FPN is a proportionate response
- there's evidence to support prosecution if the offender doesn't pay the fixed penalty
- the offender understands why the FPN is being issued
- you believe that the name and address offered by the offender are correct

Don't issue an FPN if any of the following apply:

- there's no criminal liability
- enforcement action is inappropriate or would be disproportionate for the offence
- prosecution is more suitable

### **No criminal liability**

- the person in question is exempt, eg a blind person whose dog has fouled in an area where a public spaces protection order applies
- the offender is a child under the age of 10 (inform the child's parents instead)

### **Enforcement action is inappropriate or disproportionate**

- it's not in the public interest to do so
- the offender is vulnerable
- the offence is trivial

The public interest test is detailed in section 6.9

### **Prosecution is more suitable**

- the offence is major, eg deliberate smashing of glass or racist graffiti
- the offence is committed by a persistent offender
- the offender is violent or aggressive

## **6.7 Work In Default**

In general, it is the responsibility of others to achieve compliance with the law. In certain cases the Council may undertake work to achieve compliance on behalf of others, and may seek a warrant to gain entry to land or premises to do so. This may occur if the responsible person fails to comply, cannot comply by virtue of genuine hardship, or is unable to comply by virtue of being absent. In these cases the Council's costs will be recovered from the responsible person. If the costs cannot be recovered, they will usually be placed as a charge against the property, to be recovered at a later date.

This kind of formal action will be considered (but is not restricted to) occasions where:

- A 'statutory notice' requiring work to be undertaken has not been complied with
- Immediate work is required and it is not practicable to contact the responsible person, or they are not willing to respond immediately
- There is no responsible person e.g. burial or cremation of a deceased person with no next-of-kin

## **6.8 Cautions**

A simple caution (previously known as a formal caution) may be issued as an alternative to a prosecution and will be considered during any decision to prosecute. Cautions will be issued to:

- deal quickly and simply with less serious offences;
- divert less serious offences away from the courts; or
- reduce the chances of repeat offences.

To safeguard the suspected offender's interests the following conditions will be fulfilled before a caution is administered:

- there must be evidence of the suspected offender's guilt sufficient to give a realistic prospect of conviction; and
- the suspected offender must admit the offence; and
- the suspected offender must understand the significance of a caution and give an informed consent to being cautioned.

A caution is a serious matter, which will influence any future decision should the company or individual offend again. It can be referred to in any subsequent court proceedings, but this will not apply if the caution was issued more than 3 years before. Where the offer of a caution is refused, a prosecution will generally be pursued.

No pressure will be applied to a person to accept a caution.

The Council maintains a central register of cautions administered.

## **6.9 Prosecution**



The Council recognises that the decision to prosecute is significant and would be a last resort and could have far reaching consequences on the offender. The decision to undertake a prosecution will normally be taken by the relevant Director/Head of Service/ Planning Regulatory Committee in consultation with the Council's Solicitor.

All relevant evidence and information will be considered before deciding upon a prosecution in order to enable a consistent, fair and objective decision to be made. The Council will have regard to the Attorney General's Code for Crown Prosecutors, which means that the following criteria will be considered:

- Whether the standard of evidence is sufficient for there to be a realistic prospect of conviction;
- Whether the prosecution is in the public interest;

The public interest test will be considered in each case where there is enough evidence to provide a realistic prospect of conviction. The Council will consider whether there are public interest factors tending against prosecution which clearly outweigh those tending in favour, or it appears more appropriate in all the circumstances to divert the person from prosecution.

To determine the public interest test the following questions should be considered:

- a) How serious is the offence committed?

The more serious the offence, the more likely it is that a prosecution is required. When deciding the level of seriousness we will include amongst the factors for consideration the suspect's culpability and the harm to the victim

- b) What is the level of culpability of the suspect?

The greater the suspect's level of culpability, the more likely it is that a prosecution is required. Culpability is likely to be determined by the suspect's level of involvement; the extent to which the offending was planned and whether there are previous convictions

- c) What are the circumstances of and the harm caused to the victim?

The greater the vulnerability of the victim the more likely it is that a prosecution is required. A prosecution is also more likely if the offence has been committed against a victim who was a person serving the public. We will take into account the views of the victim and the impact it would have on the victim and families.

- d) Was the suspect under the age of 18 at the time of the offence?

The best interests and welfare of the child or young person must be considered including whether a prosecution is likely to have an adverse

impact on his or her future prospects that is disproportionate to the seriousness of the offending.

e) What is the impact on the community?

The greater the impact of the offending on the community the more likely it is that a prosecution is required. In considering this question, prosecutors should have regard to how “community” is an inclusive term and is not restricted to communities defined by location

f) Is prosecution a proportionate response?

We will consider whether prosecution is proportionate to the likely outcome, and in doing so the following may be relevant to the case:

The cost to the Council especially where it could be regarded as excessive when weighed against any likely penalty.

Cases should be capable of being prosecuted in a way that is consistent with principles of effective case management

g) Do sources of information require protecting?

In cases where public interest immunity does not apply, special care should be taken when proceeding with a prosecution where details may need to be made public that could harm sources of information. It is essential that such cases are kept under review.

In deciding on the public interest the Council will make an overall assessment based on the circumstances of each case.

Where there has been a breach of the law leading to a work-related death, the Council will liaise with the police, coroner and the Crown Prosecution Service (CPS) and, if there is evidence of manslaughter, we will pass the case to the police or, where appropriate, to the CPS and /or the Health & Safety Executive (HSE).

## **6.10 Restorative Justice**

Where appropriate and available, the Council will consider the use of Restorative Justice. Restorative Justice is a process through which parties with a stake in a specific offence collectively resolve how to deal with the aftermath of the offence and its implications for the future.

## **6.11 Proceeds of Crime**

Where appropriate the Council will consider the use of the Proceeds of Crime Act 2002. The Proceeds of Crime Act allows Local Authorities to recover assets that have been accrued through criminal activity.

## 6.12 The Rent Repayment Orders and Financial Penalties (Amounts Recovered) (England) Regulations 2017

Where appropriate the Council must consider the use of rent repayment orders where a relevant offence has been committed. The Council must serve a notice of intended proceedings containing the following

- informing the landlord that the authority is proposing to apply for a rent repayment order and explain why,
- state the amount that the authority seeks to recover, and
- Invite the landlord to make representations within a period of not less than 28 days.

The Council must consider any representations made during the notice period and must wait until the notice period has ended before applying for a rent repayment order. A notice of intended proceedings may not be given after the end of the period of 12 months beginning with the day on which the landlord committed the offence to which it relates.

A local housing authority may apply any amount recovered under a rent repayment order under Chapter 4 of Part 2 of the Housing and Planning Act 2016 to meet the costs and expenses (whether administrative or legal) incurred in, or associated with, carrying out any of its enforcement functions in relation to the private rented sector. Any amount recovered under a rent repayment order which is not applied in accordance with this must be paid into the Consolidated Fund.

In the event of a tenant wishing to make a Rent Repayment Order the Council will consider providing support with the application.

## 7. Training and appointment of officers

All officers undertaking enforcement duties will be suitably trained and qualified so as to ensure that they are fully competent to undertake their enforcement activities.

Officers will be mentored and shadowed to ensure that there is a consistent approach to enforcement

The Council supports the principle of continuing professional development and will ensure that all officers are given additional in-post training to maintain up to date knowledge and skills. This will be highlighted through their learning and development plan as part of their performance review

Officers may have a variety of delegated powers to assist them in carrying out investigations. For example, this can include the power to require answers to questions and the power to enter premises, usually during reasonable hours e.g. normal opening times. Officers will carry an identity card and their

authorisation with them at all times. We will not insist on entry into a person's home without giving 24 hours notice or producing a Court Order. In the event of any doubt as to an officer's powers, confirmation can be obtained from any Council notice describing their powers, or by contacting their manager at the Council. It is an offence to obstruct an authorised officer who is conducting an inspection or investigation. Obstruction may lead to prosecution.

## **8. Shared Regulatory Roles**

Where the Council has a complementary regulatory role or is required to inform an outside regulatory agency of an incident or occurrence it will do so. Such external agencies include (but are not restricted to):

- Police
- Fire Authority
- County Council services
- Other Council services
- Health and Safety Executive
- Environment Agency
- Utility Providers
- Other Councils

Officers will attempt to co-ordinate visits and actions with other agencies to achieve the most efficient and effective outcomes and to minimise inconvenience for those who are being visited, inspected, or subject to other enforcement action.

Wherever possible, in situations where there is a shared enforcement role, the most appropriate authority will, by mutual agreement, carry out the enforcement action.

Exchange of information with other enforcement teams within the Council will take place wherever applicable. Liaison will also take place between relevant services and Members within the Council to avoid potential conflicts of interest.

## **9. What You Can Expect From Us**

- We will be objective to ensure that our decisions are not influenced by gender, ethnic origin, religious or political beliefs, disability or sexual orientation
- We will enter into discussion and offer advice to anyone to try to ensure that they do not unnecessarily expose themselves to the possibility of formal action through a lack of understanding or information
- We will be consistent in our approach by following the criteria and guidance set down in relevant legislation, codes of practice, and our own written procedures and work instructions

- We will ensure that before deciding to offer a caution, or take a prosecution, the case will be subject to independent review by a senior manager
- We will provide a courteous and efficient service and our staff will identify themselves by name when they visit you, or speak to you on the telephone
- We will respect confidentiality subject to any legal requirements to disclose information (for example disclosure to support a prosecution)

## **10. How To Complain**

If you are dissatisfied with the service you have received, please let us know. We are committed to providing quality services and your suggestions and criticisms about any aspect of our service will help us to do this. Most problems can be resolved with the Council employee who has been dealing with the matter, or you may wish to speak to their supervisor.

We will respect confidentiality subject to any requirement to disclose information (for example if it is necessary to do so in order to investigate the complaint, or to provide information to the Local Government Ombudsman). We will not normally investigate anonymous service complaints.

If you are still not happy, you can make a formal complaint using the Council's Complaints Procedure. You can ask us to register your formal complaint by phone, fax, letter, e-mail or in person. Once we receive a formal complaint we will acknowledge receipt, in writing, immediately. A manager will investigate the complaint and will normally reply to you, in writing, within 7 working days, either giving a full answer or an indication of the likely time scale for the provision of a full answer. You will also be advised of what further action you can take if you are still dissatisfied. The Complaints Procedure can be viewed on the Council's web site at: [www.cambridge.gov.uk/contactus](http://www.cambridge.gov.uk/contactus)

## **11. How To Contact Us**

### **by telephone**

You can use the telephone number given on any correspondence we have sent you, or telephone our Customer Service Centre (01223 457000).

Strictly for emergency situations that cannot wait for the next working day, you may telephone us outside office hours on 0300 303 8389.

### **in person**

At the Customer Service Centre at Mandela House, 4 Regent Street, Cambridge CB2 1BY (Monday 8am to 5.15pm and Tuesday to Friday, 9am to 5.15pm)

### **in writing**

You can write to us at the following address: PO Box 700, Cambridge CB1 0JH

### **by e-mail**

[enquiries@cambridge.gov.uk](mailto:enquiries@cambridge.gov.uk)

## **12. Review of Enforcement Policy**

This policy document will be reviewed every 3 years or sooner should legislation change

This document was first published in October 2014 and reviewed October 2017.

For further information email [enquiries@cambridge.gov.uk](mailto:enquiries@cambridge.gov.uk) or contact Environmental Health Manager on 01223 457951,

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