



Cambridge City Council
Strategy and Resources Scrutiny Committee

Date: Monday, 22 January 2018

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 - 44)
- 4 Public Questions

Decisions of the Executive Councillor for Strategy and Transformation

- 5 S&T Portfolio Revenue and Capital Budget Proposals for 2018/19 to 2022/23 (Pages 45 - 60)

Decisions for the Executive Councillor for Finance and Resources

- 6 F&R Portfolio Revenue and Capital Budget Proposals for 2018/19 to 2022/23 (Pages 61 - 76)
- 7 Budget Setting Report (General Fund) 2018/19 to 2022/23 (Pages 77 - 206)
- 8 Treasury Management Strategy Statement Report 2018/19 to 2020/21 (Pages 207 - 242)
- 9 Council Tax Reduction Scheme 2018-2019 (Pages 243 - 250)

Decisions of the Executive Councillor for Strategy and Transformation

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| 10 | Review Of Use Of The Regulation Of Investigatory Powers Act | (Pages 251 - 270) |
| 11 | Combined Authority Update | (Pages 271 - 314) |
| 12 | Cambridge Junction Capital Project | (Pages 315 - 324) |

NOT FOR PUBLICATION: The appendix to this report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of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

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

9 October 2017

5.00 - 9.00 pm

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

Executive Councillors:for Finance and Resources: Robertson and Strategy and Transformation: Herbert

Officers:

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Head of Legal: Tom Lewis

Head of Community Services: Debbie Kaye

Head of Finance: Caroline Ryba

Head of Property Services: Dave Prinsep

Environmental Health Manager – Commercial: Yvonne O'Donnell

Strategy and Partnerships Manager: David Kidston

Safer Communities Section Manager: Lynda Kilkelly

Strategic Procurement Officer: Heidi Parker

Project Manager: Cath Conlon

Committee Manager: Emily Watts

FOR THE INFORMATION OF THE COUNCIL**17/33/SR Apologies for Absence**

No apologies were received.

17/34/SR Declarations of Interest

Name	Item	Interest
Councillor Sarris	17/42/SR	Personal-A fellow of Trinity College which operates its own punting scheme. He did not take part in the discussion or vote.

17/35/SR Minutes of the Previous Meeting

The minutes of the meeting held on 3 July were approved as a correct record and signed by the Chair.

17/36/SR Public Questions

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

1. (Reference item 17/46/SR) John Preston raised the following points:
 - i. What was the justification for the permanent loss of publicly-owned assets to the private sector through the Cambridge Investment Partnership (CIP)?
 - ii. How would the CIP meet the City's housing needs if it failed to provide housing for social rent?
 - iii. Why was it not possible to provide 100% social housing on the Mill Road Depot site?
 - iv. The CIP's Mill Road Depot site exhibition proposals had not mentioned major challenges such as the library and land contamination. What consideration had been given to these issues, and how could they be resolved?
 - v. What consideration had been given to other potential mechanisms for delivering housing aside from the CIP?
 - vi. What efforts had the Council made to secure flexibility in Government requirements and timescales which imposed constraints on delivery of the 500 new homes?
 - vii. Raised concern about access to the site and queried whether the surrounding area could cope with the increase in capacity?
 - viii. Asked for assurances that a planning application for the site would not be submitted before the exhibition took place.

The Strategic Director responded:

- i. Housing Revenue Account (HRA) sites could form part of the portfolio of land being developed by the CIP. The report also outlined that alternative options would be considered, not just the CIP.
- ii. Confirmed there would not be a permanent loss of public land to private sector, the affordable homes would be transferred back to the council once completed.
- iii. Affirmed that the Strategy and Resources Scrutiny Committee would be meeting again on the 13 November to discuss the Mill Road Depot site specifically so more detailed answers could be provided then.

- iv. Having 100% social housing on the Mill Road site would not be financially viable. A mix of housing would be provided to ensure the affordability and inclusivity of the area.
- v. A public consultation meeting was being planned for 2 November to discuss how to conserve the character of the area on the Mill Road Depot site.

Executive Councillor for Strategy and Transformation responded:

- i. Stated that the Mill Road Depot site was not the only project site available for affordable housing, other Council land would be assessed for its suitability.
- ii. Working with Hill Residential would allow the Council to deliver projects that they could not deliver independently.
- iii. Outlined that the objectives within the CIP were clear, there were strict requirements that each side had to adhere to and processes to follow.
- iv. Affirmed that if possible the library building would be included in the project. Plans for it had not been in the early plans for the site but would be thoughtfully considered in the later stages.
- v. Saw value in providing updates to committee on the progress of CIP developments. The format was undecided but biannual feedback could potentially be given.
- vi. Confirmed that the Council would not submit a planning application before the exhibition took place and comments had been received from the public.
- vii. Effective access to the Mill Road Depot site was a high priority.

Councillor Cantrill queried what meeting was due to take place on 2nd November.

Executive Councillor for Finance and Resources confirmed that they planned to hold a public exhibition in the Old Library on the Mill Road depot site on 2 November from 3-9pm. It had not been publicised yet.

- 2. (Reference item 17/46/SR) Jannie Brightman raised the following points:
 - i. Asked for assurances that the Women's Resource Centre would not be closed or moved during the Mill Road Depot development.
 - ii. The Centre was a key community facility which was needed in Petersfield.
 - iii. Queried the amount of social housing planned for the Mill Road Depot site, asked if there could be more?
 - iv. Wanted clarification on housing terms. Asked what the difference was between social, affordable and market housing?

Executive Councillor for Strategy and Transformation responded:

- i. Agreed that the Women's Resource Centre provided an essential service. Assured that it is referenced in the main report coming to committee on the 13 November, clearer proposals would be seen then.
 - ii. Clarified that social rent charged between 40-65% of market rent.
3. (Reference item 17/46/SR) Stephen Hewitt raised the following points:
- i. Queried the wording for recommendation 5 of the Officer's report. Asked for clarification whether this meant land transfers would be delegated? Stated that the wording implied that the decision would also be delegated.
 - ii. Asked what the definition of a major site was?

The Strategic Director confirmed that decisions would be scrutinised by the relevant committee and signed off by an Executive Councillor.

Executive Councillor for Strategy and Transformation responded:

- i. A major site is considered to be an area which was previously used for a different purpose other than housing, for example a car park.
- ii. Housing Revenue Account (HRA) land refers to small pockets of space, for example where a few garages used to be.

17/37/SR 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

The decision was noted.

Councillor Cantrill stated on record that he was opposed to the decision to sell the property.

5b Discretionary Business Rate Relief Schemes Following Revaluation.

The decision was noted.

17/38/SR Treasury Management Half Yearly Update Report 2017/18

Matter for Decision

The Council had adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2011).

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

The Committee were advised that Appendix A on page 61 included a typographical error:

Average ~~annual~~ weekly housing rent- Shown in £'s

Decision of Executive Councillor for Finance and Resources

- i. Recommended the report to Council, which included the Council's estimated Prudential and Treasury Indicators 2017/18 to 2020/21.

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 referred to the government's possible restrictions on Local Authorities investing in commercial property with Public Works Loan Board funding. He also sought clarification on the Council's geographical strategy.

Executive Councillor for Finance and Resources confirmed that there was £3 million left of the £20m of internal borrowing allocated for commercial. It had been difficult to find properties to spend the money on due to the high price of property in the city. The Council may decide to use it to develop existing assets in the city.

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

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

17/39/SR General Fund Medium Term Financial Strategy

Matter for Decision

The report presented and recommended the budget strategy for the 2018/19 budget cycle and specific implications, as outlined in the Medium-Term Financial Strategy (MTFS) October 2017 document.

The report also recommended the approval of new capital items and funding proposals for the Council's Capital Plan, the results of which are shown in the MTFS.

The recommended budget strategy was 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 identified financial and budget issues and pressures and this information had been used to inform the MTFS.

The Committee were advised of an update to page 94:

2017/18 pre-planning development costs for Silver Street toilets: ~~£70,000~~
£48,000.

Decision of Executive Councillor for Finance and Resources recommended to Council:

General Fund Revenue

- i. Agreed the budget strategy and timetable as outlined in Section 1 [pages 1 to 2 refer] of the MTFS document.
- ii. Agreed the 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 provided an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in Section 5 [page 17 refers] of the MTFS document.

Capital

- i. Noted 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 agreed 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
	Proposals							-
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 ¹	18	-	-	-	-	-	18
SC645	Electric vehicle charge points – use of additional funding received	205	145	151	25	-	-	526
	Sub-total	321	286	151	25	-	-	783
Misc.	Section 106 miscellaneous	833	14	-	-	-	-	847
	Total Proposals	1,154	300	151	25	-	-	1,630

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

Reserves

- i. Agreed 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].

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.

Opposition Councillors made the following comments in response to the report:

- i. Asked what guidance had been received on the 1% cap on pay inflation?
- ii. Queried the savings recorded as related to employee turnover, this had not been explained in the report but there had been a £400,000 saving recorded?

- iii. Sought clarification on investment interest rate of 1%?
- iv. Referred to the additional spending, projection and contribution to the Sharing Prosperity Fund. Queried the effectiveness of this fund and the lack of supporting evidence available. Asked if the level of delegation could be changed to allow more scrutiny of its spending.
- v. Queried the use of resources during a time of significant change from factors such as Universal Credit. Asked why long term funding had been moved into a short term pot and to what extent was this amount was incremental?
- vi. Referenced the £4.8million material increase put into reserves, asked why this was so large and whether the Council had missed capital expenditure in previous years?
- vii. Referred to the £8 million Invest for Income reserve, asked how it had been built up and whether a project was in place for this to be spent on?
- viii. Asked whether the Council would consider changing the percentage of return from 5% of the £8million?

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

- i. There was no guidance for the rate of inflation being capped at 1% just an awareness of the trend. The Council thought it prudent to increase the allowance but this was still an assumption.
- ii. Referred to employee turnover, over the last 2 to 3 years there had been considerable underspending on staffing costs and the budget assumptions had been changed to bring them closer to the expected outturn. Many staff had undergone incremental progression which impacted the underlying data; more staff were now at the top end which made less allowance for progression. The other assumption of underspending was due to posts being vacant between appointments of staff had not been applied consistently across departments but this was now being done.
- iii. Outlined that a substantial amount of the £4.8million figure came from the capital carry forward and re-phasing, it balanced the capital from previous years and reflected the contribution of reserves.
- iv. The Invest for Income fund had built up to £8 million over 5 years; nothing had come forward for appraisal yet.

Executive Councillor for Finance and Resources responded:

- i. Agreed that some of the Sharing Prosperity Fund initiatives had not been effective but most had. Community Service Scrutiny Committee had reviewed it in full and felt content with the current process.

- ii. Referred to the Invest for Income fund and highlighted that one option for its use was to use it so that the General Fund could invest in housing.
- iii. Highlighted that the Council had a target of a 5% return on investment which ensured a surplus, there were no plans to change this policy presently.

Councillor Sinnott highlighted the value of the work being undertaken by the Sharing Prosperity Fund, asserting that the success and subjective outcomes of many of initiatives were not quantifiable.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

17/40/SR Climate Change Strategy Annual Progress Report

Public Question

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

1. **A member of the public raised the following points:**
 - i. **Suggested that the 0% emission aspiration for 2050 was not sensible because it was too far away.**
 - ii. **Making significant change needed to take a more inclusive approach through activities such as: public education campaigns, reducing meat consumption and using roof space to generate solar energy.**
 - iii. **The urgency of the situation needed to be recognised.**

The Strategy and Partnerships Manager responded:

- i. The Council had tried to raise awareness through education campaigns, articles in Cambridge Matters, working with Cambridge Sustainable Food.
- ii. Plans were in place to put solar panels on the roof on the Guildhall.

Matter for Decision

The report provided an update on progress during 2016/17 on

actions taken to deliver the five objectives of the City Council's Climate Change Strategy, which covered a five year period from 2016/17 to 2020/2021. As part of this, the report included an update on progress in implementing the Council's Carbon Management Plan. The Plan sat under the Strategy and played a key role in achieving its first strategic objective, which was to reduce carbon emissions from the City Council's estate and operations.

The report also provided an update on the current position of the Climate Change Fund, which provided support to projects that helped to reduce the Council's own carbon emissions and/or manage climate change risks to Council staff and property.

Decision of Executive Councillor for Finance and Resources

- i. Noted the progress achieved during 2016/17 in implementing the Climate Change Strategy and the Carbon Management Plan.
- ii. Noted the Climate Change Fund Expenditure Status Report.
- iii. Agreed to add to future annual reports the Council's actions and their impact on the energy efficiency performance of its commercial property portfolio.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Councillor Bick formally proposed to add the following recommendation to the Officer's report:

- Agreed to add to future annual reports the Council's actions and their impact on the energy efficiency performance of its commercial property portfolio

Strategy and Resources Scrutiny Committee resolved to agree the additional recommendation *nem con*

Scrutiny Considerations

The Committee received a report from the Strategy and Partnerships Manager.

Opposition Councillors made the following comments in response to the report:

- i. Welcomed the report and the success of the Strategy so far.
- ii. Referred to the transport section of priorities and queried why carpark prices had been reduced in the city centre?
- iii. Raised concern over the absence of any reference to the commercial property portfolio? In doing this £120million had been excluded from the

definition of the Council's estate so had not been considered under the Strategy.

- iv. Sought clarification of the decision process when determining which funding source would be used between the Climate Change Fund and the budget.
- v. Stated that the report lacked a large scale scheme. Building passive housing would raise the standard for new developments.
- vi. Suggested restricting the use of cars on new sites such as the Mill Road Depot and encouraging public transport to reduce congestion.

Councillor Sinnott stated that it would be difficult to police a car free site at the Mill Road Depot; making restriction would just displace the problem and push it onto surrounding streets.

Councillor Gillespie attended the committee with the prior approval of the Chair and made the following comments:

- i. Raised concern that the report stated only an 'aspiration' to reduce emissions by 20% by 2020/21, the wording suggested a lack of commitment to achieving this goal.
- ii. Queried why outdated figures were being used, referring to total carbon emissions per capita figures dating from 2005.
- iii. Stated that good work was being undertaken but more opportunities needed to be explored urgently. Pressure could be applied to the Mayor of the Combined Authority to reduce carbon emissions when negotiating the next devolution deal.
- iv. Made the following suggestions:
 - Investing in sustainable energy sources.
 - Only selling sustainably sourced food in council cafeterias.
 - Work toward a sustainable city food gold or silver standard.
 - Include a community impact section on all council reports so that climate change impact and carbon efficiency would always be considered and taken seriously.
 - Introduce a city car share club.
- v. Highlighted that at the Climate Change Leaders' meeting it was agreed that a follow up email would be circulated, this had still not happened.

The Executive Councillor for Finance and Resources responded:

- i. The reduction in carpark fares on a Monday and Tuesday aimed to encourage customers because it was underused on these days.
- ii. The commercial property portfolio had undergone extensive expenditure on improving the energy efficiency of council buildings.

- iii. Stated that the Climate Change Fund was a major funding opportunity and would continue to be used more into the future.
- iv. Welcomed ideas and suggestions of new environmentally friendly ways to work.
- v. The Cambridge sustainable housing guide which was used in all new development in the city was equivalent to energy performance level 4.
- vi. Explained that restricting the use of cars on the Mill Road Depot development was difficult, residents needed to be considered too.

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

- i. The aspiration of 0% carbon emissions by 2050 was set in March 2016. This was a phased aspiration because district councils had limited control over all services.
- ii. Stated that the Climate Change Leaders Group had brought together a number of different groups in an attempt to join up and work collectively. There had been a delay getting the follow up email circulated but it had now been sent.
- iii. Highlighted that the figures used from 2005-2015 were from a national government data set, it took two years to compile the set so it would always be two years out of date.
- iv. The City Council had reduced its emission by 10% since 2014/15 so it was set to reach its target of 15% by 2021.
- v. Exploratory work for finding new ways to generate energy was ongoing.
- vi. Confirmed that a section relating to climate change impact would be included in future committee report templates.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

17/41/SR Procurement of Corporate Frameworks

Matter for Decision

As proposed by the New Contract Procedure Rules (CPR), the Council was seeking to establish a number of corporate arrangements for purchasing goods, services and works. These arrangements had 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 had been identified as contributing to the remaining savings commitments of the Support Services Review.

The proposed contracts Frameworks & or Dynamic Purchasing Systems, covered:

- Construction Consultants
- Construction Works (individual 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)

Decision of Executive Councillor for Finance and Resources:

- A. Framework: Agreed to the publication of an advert, to invite suppliers to submit a tender. Following evaluation and completion of a tender report, delegated authority to the relevant Director, to appoint the successful suppliers onto the framework (subject to compliance with the CPR)
- B. Dynamic Purchasing Systems (DPS): Agreed 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. Agreed a staggered advertisement of the contracts to facilitate resourcing and re-procurement
- D. Agreed awards of any requirements let through the corporate contracts to be approved (and contracts signed) in accordance with the CPR.

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 Strategic Procurement Officer.

Councillor Cantrill made the following comments in response to the report:

- i. Asked whether the Council held a profile of its 1780 suppliers, their size and geographical location?

- ii. Understood the need to make savings but wanted to avoid eliminating the small local businesses which the Council held existing relationships with.

The Strategic Procurement Officer said the following in response:

- i. Confirmed that an exact profile was not held. The old system was limited so only basic information could be retained. Small and Medium size Enterprises (SMEs) had less than 50 employees and a turnover of less than £5million and only the head office could be located. The new Due North system would be able to collect far more information.
- ii. The purpose of the new system was to consolidate suppliers to be more streamlined. Efforts would be made to retain existing relationships and to encourage small local businesses.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

The Chair called a 15 minute comfort break

17/42/SR PSPO (Touting) 2016: Review

17/34/SR Councillor Sarris did not take part in the discussion or vote on this item.

Matter for Decision

The report reviewed the impact of the Public Spaces Protection Order (PSPO) (Touting) 2016 since its implementation in September last year. It considered the successful enforcement outcomes and also the challenges and perceptions encountered in enforcing the order. It also looked 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 examined the way forward to address the public concerns over touting. It also looked at the enforcement of the PSPO and makes recommendations on the options for the future.

Decision of Executive Councillor for Strategy and Transformation:

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

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 Safer Communities Section Manager.

Opposition councillors made the following comments in response to the report:

- i. Highlighted that the PSPO had not worked, the behaviour of creating a nuisance was now more prevalent.
- ii. The injunction sounded promising, asked whether there was time estimation for the outcome of it?
- iii. Sought clarification about the problem on the corner near John Lewis referred to in the report.
- iv. Stated that the policy was only as good as the enforcement. Asked how many officers were responsible for enforcing the PSPO?
- v. Highlighted the importance of simplicity of any order. Making a policy specifically applicable to a certain group in a certain place just meant the problem moves around and was not tackled.
- vi. Asked what the best way to communicate the issue to the public would be?
- vii. Highlighted that the Council needed to think beyond the injunction. The punting companies involved were nimble and had so far outmanoeuvred the Council so they would probably try a different approach to carry out their business even if the injunction was successful.

The Safer Communities Section Manager and Head of Community Services said the following in response to Members' questions:

- i. Clarified that the path next to John Lewis and Metro Bank was private so the touts stand there, this caused an issue for enforcement.
- ii. The punting companies had found ways around the enforcement by purposefully employing young people to tout, many were too young to receive a fixed penalty fine.
- iii. Confirmed that there were 7 Enforcement Officers, 6 of which could enforce PSPO's.
- iv. Discussion with Environmental Services had been undertaken to increase enforcement.
- v. Highlighted that the complexity of the existing agreement works well with the companies who adhered to it.
- vi. Outlined that in order for the PSPO to be enforced, when the public complained they needed to make the distinction that the person was verbally touting rather than just being a nuisance.

The Head of Property Services confirmed that the hearing was supposed to be on the 3 October but had been cancelled. They were waiting for a new date from the High Court. The full hearing would take place a few months after the direction hearing.

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

- i. The touts had shown no respect for authority, by flaunting the PSPO.
- ii. The City Council had prepared the ground for the injunction and as the land owner of Garret Lane Hostel they could set their own terms to cover the land.
- iii. The number of Enforcement Officers had doubled but the touts recognise and avoid them. The Council was committed to stopping the antisocial behaviour but had to judge resource against impact. If the injunction was successful it would need to be heavily resourced.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

17/43/SR Re-Ordering of the 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.

17/44/SR Combined Authority Update

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.

An information report, no decision was required. The Executive Councillor for Strategy and Transformation

- i. Reported the contents of this report to the scrutiny committee
- ii. Provided a verbal update at the meeting on issues considered at the September meeting of the Combined Authority

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 an update from the Executive Councillor for Strategy and Transformation.

- i. Highlighted the opportunities created by devolution, for example it could unlock sites such as Cambridge North Fringe East.
- ii. He led on spatial planning. Confirmed that the Mayor supported land value capture.
- iii. Reinforced the dialogue on Cambridge with the Department for Transport in relation to the Cambridge South proposals.
- iv. Highlighted how much had been achieved during the last 5 months.

Opposition Councillors made the following comments in response to the report:

- i. Welcomed comments on the LEP and whether a member should still be on the Combined Authority Board whilst Audit Office enquiries were ongoing with the LEP?
- ii. Sought clarification regarding the Mayor's approach to sharing papers amongst the committee. Reports had suggested it had been a problem.
- iii. Referred to the £100million and asked what Cambridge had been allocated?

- iv. As holder of the planning portfolio, would the Leader agree to submit a non-statutory Spatial Plan to Development Plan Scrutiny Sub Committee (DPSSC)?

The Strategy and Transformation said the following in response to Members' questions:

- i. He believed that stopping funding was not the answer, the LEP needed to be the voice and support for businesses but also need to sort the issues with the Audit Office. A report on the LEP governance would be available between October and November.
- ii. Governance for the Combined Authority had improved, he asserted the importance of working closely with the Chief Executives.
- iii. Confirmed that Cambridge could not compete with the relative value of housing that other areas could achieve with the £100million funding. Assistance had been given to secure money for South Cambridgeshire (Southern Fringe) ensuring housing for commuters travelling into Cambridge to work.
- iv. Highlighted the need for dialogue with other areas before advancing the new Local Plan. Confirmed that he would be happy to take a report to DPSSC, information would be ready by early 2018. Asserted the importance of community involvement in order to ensure inclusive growth.

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

No conflicts of interest were declared by the Executive Councillor.

17/45/SR Review of Corporate Enforcement Policy 2014

Matter for Decision

In 2014 the new enforcement policy was adopted. The Policy included a provision for it to be reviewed after three years. This report reviewed the policy and allowed for amendments to be completed taking into account operational and legislative changes. It has also accounted for feedback that the Council had received.

The review resulted in the policy remaining broadly unchanged but with minor amendments and additions to wording and clarity around enforcement activity, principles of enforcement and other considerations.

The Service Standards for each of the different functions that were appendices to the main enforcement policy may from time to time be subject to change,

these, unless significantly changed would not need committee approval and could be agreed by the relevant head of service.

Decision of Executive Councillor for Strategy and Transformation

- i. Considered the proposed changes and adopted the revised Corporate Enforcement Policy 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 Environmental Health Manager.

The Committee had no questions in relation to the report.

The Committee unanimously resolved to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

17/46/SR Arrangements for Disposal of Council Land and Payment for Social Housing to the Cambridge Investment Partnership

Matter for Decision

In July 2016 Strategy and Resources approved the setting up of the Cambridge Investment Partnership (CIP) which was subsequently established in January 2017.

Structured in sections, the report set out the considerations, options and recommendations for land disposals between the Council and the CIP for General Fund land and Housing Revenue Account (HRA) land. The Council's decision making process was also set out.

The reasons for the Council's decision to explore the establishment of an Investment Partnership and the process by which Hill Investment Partnership Ltd (HIP) was selected as the investment partner were set out in section 3.

This section also provided an explanation of the benefits the Council would derive from utilising an Investment Partnership route as the mechanism for land development; and an outline of the processes, procedures and governance framework within which the business of the CIP would be conducted.

The Committee were advised that section 10.4 on page 13 (separate agenda item 13 document) and Appendix 1 page 16 included typographical errors:

The route through the Council's decision making processes up to the point of any land transfer to the CIP, where the Council has 50:50 representation on the board, are set out in ~~Appendices 2 and 3~~ **Appendix 1**.

Report to Strategy & Resources ~~and~~ **or** Housing Scrutiny Committee

Decision of Executive Councillor for Strategy and Transformation

- i. Approved the use of the preferred land disposal routes from the Council to CIP as set out in section 5.
- ii. Noted the considerations relating to the approach to the transfer of land between the General Fund and the Housing Revenue Account as set out in sub section 4.3
- iii. Noted the considerations arising from the Stamp Duty Land Tax (SDLT) and VAT obligations in section 7.
- iv. Approved the approach for the payment by the HRA to CIP for social rented housing as set out in 8.
- v. Delegated a decision to the Executive Councillor for Finance and Resources, Executive Councillor for Housing or Strategy and Transformation (as appropriate) in conjunction with the relevant Strategic Director for the final approval of a Strategic Development Brief and Proposed Land Transfer / Disposal Model to CIP for individual sites. Major sites would be reviewed at a Scrutiny Committee prior to the Executive Councillor decision to transfer the land to CIP.

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 Strategic Director.

Opposition Councillors made the following comments in response to the report:

- i. Queried whether the material, financial and social risks associated with entering into an investment partnership had been thoroughly thought through. Would the relationship mean that the Council would be buying back the houses at a premium?
- ii. Stated that the complex structure could lead to difficult outcomes, Hill Residential's focus was on economic/financial capital and therefore their priorities would be different to ours.
- iii. Asked if the ruling group would be willing to meet to share thoughts?
- iv. Queried why the Council could not work independently on HRA sites like the development in Anstey Way, the houses would be built independently and rented out without the need for a third party.
- v. Raised concern about the lack of transparency and opportunity to scrutinise decisions made. Asked whether we would use the CIP frequently?

The Strategic Director said the following in response to Members' questions:

- i. Stated that there were benefits to selling back to the HRA, the Council would benefit through the overall uplift from the surplus which it wouldn't have normally.
- ii. Affirmed that delays and less accurate delivery would not be accepted. The overall priorities of the two partners would align.
- iii. Highlighted how each site would have a detailed inventory to assess if the CIP should be involved, other options would always be considered.

The Chief Executive highlighted that the CIP was created to introduce skill and capacity to deliver the City Council's housing vision at speed which it could not achieve on its own.

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

- i. The contract with Hill Residential looked complicated but had been thoroughly thought through. The deadlock partnership meant that either partner could veto a scheme which did not adhere to its interests, so one side could not be benefiting more than the other.
- ii. The incentive for Hill Residential to successfully deliver on projects meant that it would guarantee more collaboration on complex capital projects in the future.
- iii. Stated that 6 monthly updates could be arranged to answer any questions and report progress back to committee.

- iv. Confirmed that he and the Executive Councillor for Finance and Resources would be happy to meet with Councillor Cantrill to share thoughts on the CIP and development queries.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 9.00 pm

CHAIR

STRATEGY AND RESOURCES SCRUTINY COMMITTEE 13 November 2017
6.30 - 10.00 pm

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

Executive Councillors for: Strategy and Transformation: Herbert and Finance and Resources: Robertson

Other Councillors Present: Dryden

Officers:

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Strategic Director: Suzanne Hemingway

Head of Legal: Tom Lewis

Head of Finance: Caroline Ryba

Project Manager: Cath Conlon

Committee Manager: Emily Watts

FOR THE INFORMATION OF THE COUNCIL

17/47/SR Apologies for Absence

No apologies were received.

17/48/SR Declarations of Interest

Name	Item	Interest
Councillors Baigent and Barnett	17/52/SR	Personal- Member of the Cambridge Cycling Campaign

17/49/SR Minutes

As the 13 November was an extraordinary meeting, the minutes from 19 October 2017 would be available for signing at the next meeting.

17/50/SR Public Questions

Members of the public asked a number of questions, as set out below. Additional public questions recorded REF(17/52/SR)

1.(REF 17/51/SR) Richard Price, Secretary of Park Street Residents' Association raised the following points:

- i. A redevelopment of Park Street Car Park could provide a great opportunity to enhance the area by reducing traffic congestion and providing social housing.**
- ii. Research from other cities such as Oxford had shown that restricting vehicle access to the city improved foot fall of shoppers and had been beneficial for surrounding businesses.**
- iii. Agreed that option 1 within the officers report was the best of the available options because it allowed more time to consider possibilities for development.**

The Strategic Director responded:

- i. Stated that input of successful projects from other cities would be taken into account when considering the Park Street development.**
- ii. A 5 year programme would allow wider transport strategies around the city to come forward which would help shape and highlight the future of the car park and the needs of the area.**
- iii. Input from the wider community was welcomed and would be considered.**

2.(REF 17/51/SR) Susan Stobbs raised the following points:

- i. As a local resident of the Park Street area she was concerned about the environmental impact caused by the busy car park. Asked how the Council planned to reduce pollution in the city without reducing parking.**
- ii. Requested for a reduction in pollution to remain high on the agenda throughout the proposal.**

The Executive Councillor for Strategy and Transformation responded:

- i. The Council was committed to reducing pollution in the city.**
- ii. The changes made to the car park needed to be sustainable, the 5 year programme would allow the opportunity for careful consideration.**
- iii. Affirmed that the view of Market ward residents would be listened to.**

3.(REF 17/52/SR) Bev Nicholson raised the following points:

- i. Raised concern over the amount of parking allocated in the provisional Mill Road Depot development plan. Highlighted the central location and asked why so much parking needed to be provided. Affirmed how this development could be exemplar if it took a more environmentally sustainable approach.**
- ii. Raised concern that the new YMCA facilities would not be publicly available. Stated that the old library within the site should be publicly owned and run as a community facility.**

The Executive Councillor for Strategy and Transformation responded:

- i. High volumes of vehicular use were not expected on the Mill Road Depot site but restricting it to a car free development was not felt appropriate.
- ii. The planning application would go into more detail about parking provision.
- iii. Discussions would be undertaken with Bharat Bhavan. The Council wanted this to be a whole community discussion not just for those in the immediate area around the development.

4.(REF 17/52/SR) Kati Preston raised the following points in relation to the Mill Road Depot development:

- i. Disagreed with the decision to keep two of the report appendices confidential. Stated that this action lacked transparency when considering a publicly owned site.**
- ii. Queried whether the Council's £70 million devolution deal money would be used to cover the Council's 20% input at the beginning of this development.**
- iii. Asked whether the Mill Road development and YMCA would be freehold or leasehold and what the duration of the lease would be.**
- iv. Queried whether the new properties would include conditions of sale in order to prevent buy to let buyers.**
- v. Referred to the current YMCA site and queried how it provided 100 homes.**

The Executive Councillor for Strategy and Transformation responded:

- i. Disagreed with the comment that there was a lack of transparency and accountability within the development plans. The public consultation was open until 20 November, the feedback received would feed directly into the project.
- ii. The YMCA proposal had been a relatively new addition to the plans.
- iii. Highlighted that the £70 million devolution deal money would not be enough to fund the development alone so other sources needed to be used.

- iv. Building 100% council homes on the site was not financially viable or sustainable.
- v. The agreement for the YMCA to move opens up a new site with development opportunity at Gonville Place.
- vi. Clarified that the YMCA provided 100 bedrooms not 100 homes.
- vii. Affirmed that the lease agreement for the properties had not yet been confirmed.

Kati Preston responded with the following supplementary question:

- i. **Highlighted the input from Petersfield Area Community Trust (PACT) regarding their suggestion for the future use of Bharat Bhavan as a community facility rather than allowing it to be taken over by YMCA.**

The Executive Councillor for Strategy and Transformation responded:

- i. Confirmed that the Bharat Bhavan was owned by Cambridgeshire County Council so the City Council did not have the final say over its future use. Nonetheless, discussions about its potential would be undertaken.

17/51/SR Strategic Site Development of Park Street Car Park

Matter for Decision

In July 2016 Strategy & Resource Scrutiny Committee approved the setting up of the Cambridge Investment Partnership (CIP) as a mechanism for the Council to bring forward assets for development. The principles which govern the progression of sites with development opportunities through CIP were approved at Strategy & Resources Scrutiny Committee on 9th October 2017. Park Street Car Park site was one of the General Fund assets to be developed using these approved principles.

The CIP Investment Team had developed a strategic Project Plan for the site incorporating a clear development brief to meet the Council's key objectives in line with planning policy and the Planning Guidance Note for the site. This report outlined the alternative development options for the site, which included refurbishment and redevelopment options and explored the delivery of affordable housing on the site. Alternative options were also considered including the site's potential for commercial development.

The financial viability appraisals for the housing delivery option for affordable housing on this site demonstrated that this option was not viable without significant financial contribution from Council reserves. The net loss of the 20 affordable units, which the Council could have delivered on the site, could be provided elsewhere in the City. This was set out in section 3.5

If future development proposals were considered, a commercial development proposal which would provide basement car parking (Council retained ownership) and an above ground development (which might generate a capital receipt for the housing investment programme) might be an option. This would provide the Council with an investment stake that did not rely on prudential borrowing.

Decision of Executive Councillor for Strategy and Transformation:

- i. Noted the options proposed and explored by CIP for the redevelopment and refurbishment of Park St Car Park as set out in section 3.3
- ii. Approved the recommendation made by CIP not to progress the option to deliver housing on the Park St Car Park site as part of a redevelopment option as set out in section 3.3.3
- iii. Noted that CIP will continue to explore the opportunities for redevelopment on the site including investigating commercial options; to deliver a scheme that met the Council's Strategic Development Brief for the site and the Council's wider objectives and, should an agreed scheme be developed, that it be reported to the Strategy & Resources Committee for scrutiny and the opportunity for public input, ahead of a decision by the Leader on the CIP plan.
- iv. Approved a five year rolling programme for the refurbishment of the car park. The programme would be reviewed and implemented on an annual basis during which time CIP would explore options for redevelopment of the site to identify an option that met the Council's Strategic Development Brief and wider objectives. A report seeking approval of an option for redevelopment would be presented to a Strategy and Resources Scrutiny Committee in 2018 for a decision to proceed with a preferred option.

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 Strategic Director.

Members of the Committee made the following comments in response to the report:

- i. Stated that the current situation and indecision about the future of the car park appeared to be based around profit.
- ii. Referred to a report from 2015 which stated that development was feasible at a considerable lower cost. Given that recent investigation had concluded that the work was no longer feasible, the initial report must have been a waste of money. The advice from both investigations appeared to be diametrically different. Asked how much the initial studies had cost.
- iii. Stated that any new transport strategy would take years to come to fruition so it should not be the basis for the car park development proposals.

The Strategic Director said the following in response to Members' questions:

- i. The recent investigation carried out by Hill Residential sought specialist advice and was much more detailed than previous reports.
- ii. Advice from Planners dictated that all of the car park would now have to be underground which had not been factored into previous investigations. The additional work required to excavate and build underground significantly raised the cost.

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

- i. Hill Residential had undertaken the most recent investigation within the parameters requested and confirmed that the development was not feasible.
- ii. Affirmed the Council's commitment to exploring development options for Park Street Car Park but not into social housing. The five-year plan allowed the opportunity to see how transport reforms across the city unfolded which would highlight the future requirement for car parking in the city centre.

Councillor Bick formally proposed the following amendment to the Officer's recommendation:

Deleted wording ~~struck through~~ and additional wording underlined:

- i. Noted the options proposed and explored by CIP for the redevelopment and refurbishment of Park St Car Park as set out in section 3.3
- ii. ~~Approved the recommendation made by CIP not to progress the option to deliver housing on the Park St Car Park site as part of a redevelopment option as set out in section 3.3.3~~
- iii. ~~Noted that CIP will continue to explore the opportunities for redevelopment on the site including investigating commercial options; to deliver a scheme that met the Council's Strategic Development Brief for the site and the Council's wider objectives and, should an agreed scheme be developed, that it be reported to the Strategy & Resources Committee for scrutiny and the opportunity for public input, ahead of a decision by the Leader on the CIP plan.~~
- ii. Request further options to be prepared for a mixed redevelopment of the site for housing and underground parking, revisiting the original parameters in the development brief - in particular envisaging fewer car parking spaces; evaluating investment in the car parking provision against the return in car parking income rather than in relation to a subsidy from the housing; and considering alternative development vehicles as options alongside the CIP.
- iii. Approved a five year rolling programme for the refurbishment of the car park. The programme would be reviewed and implemented on an annual basis during which time ~~CIP~~ the Council would explore options for redevelopment of the site to identify an option that met the Council's Strategic Development Brief, revised as necessary, and wider objectives. A report seeking approval of an option for redevelopment would be presented to a Strategy and Resources Scrutiny Committee in 2018 for a decision to proceed with a preferred option.

In moving their amendment Councillors Bick and Cantrill commented:

- i. The amendment was based upon the feasibility statement. The redevelopment brief and parameters of the specification should be revised to take a more flexible approach.
- ii. The business element of the car park should be considered on its own, the housing aspect should not subsidise it.
- iii. Suggested that options for development should be open to other avenues rather than just the CIP. The revision of wording puts the power back with the Council.
- iv. Agreed that until a final development decision had been made the car park was in need of refurbishment to be fit for use.
- v. Raised concern about CIP, as a commercial developer because its interests were different to that of a Local Authority. If there was little to gain economically from the Park Street development they would not

view it as viable, the social benefits to the area would not be considered.

- vi. Stated that the estimation of each unit costing £1million assumed no financial return from the car park as a business.

In response to the amendment Councillors said the following:

- i. Opposition councillors should have distributed the proposed amendment earlier to allow for more thorough consideration.
- ii. Stated that the new wording constrained flexibility.
- iii. Suggested that the comments from opposition councillors had been unreasonably critical toward the Hill Residential for undertaking the detailed costing's especially when they had incurred the cost rather than passing it on to the Council. When looking at the bigger picture, lots of factors needed to be considered, Hill Residential had the expertise to undertake that assessment.
- iv. Confirmed that the CIP was accountable to Council.
- v. CIP's commercial awareness and expertise had been beneficial when assessing the Park Street site because they were able to highlight previously unseen weaknesses. Financial viability was crucial in order for successful delivery.
- vi. The Council had a limited time to spend the devolved £70million on council housing so it needed to be invested in site which could achieve results quickly otherwise the money would be lost.

The Committee rejected the amendment to the recommendation by 4 votes to 2.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

17/52/SR Strategic Site Development of Mill Road Depot

Public Question

Members of the public asked a number of questions, as set out below. Additional public questions recorded REF(17/50/SR)

1. Martin Lucas-Smith raised the following points:

- i. Raised concern regarding the high level of car parking on site. The area was well connected by local transport.**
- ii. Recognised that some residents would need the use of a car but the allocation was too high. A survey undertaken on 11 streets in the local area estimated that only 0.5 cars per dwelling were needed.**
- iii. Stated that parking added an estimated £15k to the cost of housing.**
- iv. Requested that the recommendation was amended to include**
 - Publishing a survey that highlighted the level of parking actually used in the area.**
 - Provide the same level of parking that was currently provided in the surrounding area.**

The Executive Councillor for Strategy and Transformation responded:

- i. Confirmed that the number of parking spaces had already been reduced. He was happy for the results of the parking assessment to be shared.**

Martin Lucas-Smith raised the following points as a supplementary question:

- i. Agreed the need to provide disabled, visitor and car club spaces.**
- ii. Queried why he had not received a response regarding the price of providing parking or on his proposed amendments.**

The Executive Councillor for Strategy and Transformation responded:

- i. Stated that the evidence base would form part of the planning application.**
- ii. Disagreed that residents should be denied the right to park.**
- iii. Confirmed that the comments were welcomed and would be considered.**

2. John Preston raised the following points:

- i. Asked whether the full planning application would consider the whole depot site inclusive of access, the YMCA and former library building.**
- ii. Special regard needed to be taken to the library because of its listed status. Queried whether Historic England had been contacted regarding the library.**
- iii. Asked why the library had been neglected from the proposals so far.**
- iv. Stated that it would be prudent to postpone the planning application until a transport assessment had been carried out,**

access issued had been looked at and YMCA proposals had been fully considered.

The Executive Councillor for Strategy and Transformation responded:

- i. Agreed that the interaction with the library needed to be considered and Historic England would be contacted.
- ii. A transport assessment would be undertaken to look at the junctions and how to minimise impact.
- iii. The planning application for the majority of the site was due to be submitted in December. The YMCA would have a separate planning application.
- iv. Confirmed that he was happy to respond to other questions in writing.

John Preston raised the following points as a supplementary question:

- i. **Stated that at every stage of the consultation process so far he had felt the need to request further information about access arrangements to the site rather than it being readily available.**

The Executive Councillor for Strategy and Transformation responded:

- i. Highlighted that the site had been used by vehicles for the last 100 years.
- ii. Other permeable factors needed to be considered such as the impact of the Chisholm Trail, which ran through parts of the site.

3. John Franks, Chair of Petersfield Area Community Trust (PACT) raised the following points:

- i. **PACT sought a charitable objective and raised concern about how the proposals were going to be incorporated with the wider existing community.**
- ii. **Queried accesses to the site, the proposals were unclear and needed to be integrated with the surrounding area more effectively.**
- iii. **The provision of green space appeared fragmented which limited the usable open space.**
- iv. **PACT had received information that the community space would be developed in conjunction with YMCA, however, early indicators suggested that community use would be limited.**
- v. **Requested that community facility funding should not go to the YMCA owned buildings, it needed to provide dedicated community provision.**

The Strategic Director responded:

- i. Confirmed that the Chisholm Trail provided north to south access of the site.
- ii. Referred to section 3.2.4 of the Supplementary Planning Document (SPD) which outlined how the green space was designed to accommodate four different activities. There was also an S106 requirement to accommodate for the needs of the wider community.
- iii. Welcomed the contribution made by PACT and encouraged a broader discussion on provision and how this could be provided.

4. Jannie Brightman raised the following points:

- i. **Requested more clarity within the development. There appeared to be lots of overlapping area which impact one another between the SPD, consultations, committee meetings and planning applications. Many new stages were starting before others had been completed which meant that the situation had become confusing.**
- ii. **Referenced the YMCA and asked how land could be transferred to CIP if they did not know what would be on it yet without receiving a detailed plan first.**
- iii. **Queried what commitment had been made to the YMCA.**

The Executive Councillor for Strategy and Transformation responded:

- i. The YMCA had provided lots of information and had committed to providing community space.
- ii. No firm proposals had been received for the Gate House.
- iii. The YMCA would not be included in the first planning application because the proposals had only recently been submitted. The Council did not want to rush the detail; it needed careful consideration to be beneficial in delivering on wider objectives for both parties.

Jannie Brightman raised the following points as a supplementary question:

- i. **Stated that the decision to include the YMCA appeared to be a done deal. Many other suggestions had been submitted throughout this project but none had been considered as thoroughly as this one.**
- ii. **Petersfield has been crying out for more community facilities, asked if they could hope to receive some which were run by the Council.**

The Executive Councillor for Strategy and Transformation stated that it had not yet been agreed who would run and own the facilities provided.

The Strategic Director responded:

- i. Confirmed that the agreement in place saw CIP proposals go before the Board before they came to committee. The YMCA proposals would include a lot more detail.
- ii. They intended to preserve the old library so discussion with the County Council was needed.
- iii. Clarified that the project plan wasn't conditional to the consultation on 2 November but was based upon the indicative project plan.
- iv. The consultation was open until 20 November; so far 70 responses had been received.

5. Stephen Hewitt raised the following points:

- i. **Asked what price the Council would achieve when it transferred the Mill Road Depot land into the CIP.**
- ii. **Queried if the amount received was best value.**
- iii. **Sought clarification whether the transferred land would be freehold or leasehold.**

The Strategic Director responded:

- i. Confirmed that an independent valuation had been undertaken to establish the current value of the land. The amount was estimated at £11million.
- ii. The land would be leasehold. If issues arose there was a break clause in the lease.

Matter for Decision

The principles which govern the progression of sites with development opportunities through CIP were approved at Strategy & Resources Scrutiny Committee on 9th October 2017. Mill Road Depot was the first General Fund asset to be developed using these approved principles.

The CIP Investment Team had developed a strategic Project Plan for the site incorporating a clear development brief to meet the Council's key objectives following public consultation and in line with planning policy and the supplementary planning document for the site agreed in March 2017. CIP Board approved this Project Plan on 3rd November 2017.

In accordance with the principles set out and the CIP Board approval of the Project Plan, this report outlined the key elements of the Plan, including a summary investment plan, and identified alternative options considered to inform the agreed strategic objectives. The paper made recommendations for transfer of the site to CIP for the Investment Partnership to take the site

forward for development as part of an overall programme to deliver the 500 new Council homes.

Decision of Executive Councillor for Strategy and Transformation

- i. Approved the transfer of the land known as Mill Road Depot, shown edged red on the attached plan in Appendix 1, to Cambridge Investment Partnership (CIP) for redevelopment in accordance with the approved Supplementary Planning Document. This transfer would be at a value provided by an independent valuer, which had been approved by CIP Board as detailed in the Project Plan.
- ii. Noted that, following transfer of the land, there would be two planning applications submitted by CIP to develop the land for housing and the YMCA in accordance with the Council's strategic and corporate objectives and with the output from the public consultation and pre application planning process.
- iii. Noted also that the proposed commercial in confidence investment plan for the project in Appendix 5 would be confirmed subject to the outcomes of the public consultation on 2 November and the determination of the CIP's planning applications. The relevant investment requirements would be subject to the appropriate Council investment decisions.
- iv. Approved further work on the provision and management of community facilities in discussion with the local community, local councillors and the YMCA.

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 Strategic Director.

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

- i. Referred to the first recommendation and asked what written agreement was in place between Cambridge City Council, CIP and YMCA.
- ii. Queried whether the Council should wait until a proper agreement with the YMCA was in place before transferring the land given that it was a key part of the package.
- iii. Asked how the financial relationship with the YMCA been agreed.

- iv. Asked who was undertaking the negotiation within the tripartite relationship.

The Strategic Director said the following in response to Members' questions:

- i. The Council had received a commitment from YMCA. A draft Memorandum of Understanding (MoU) had committed the YMCA and CIP to work together for the relocation. Once an agreement had been concluded a contract would follow.
- ii. The relocation of the YMCA was a recent proposal. If the whole development waited until an agreement was reached with the YMCA it would delay the whole project significantly. In order to make progress the first application would cover the wider site and the YMCA would follow.
- iii. Confirmed that the financial relationship was based on best estimates at this stage.
- iv. Highlighted that it was inappropriate to transfer the land in two separate transactions to accommodate the YMCA agreement. The MoU ensured the best outcome from all parties and a break clause gave assurances.
- v. Affirmed that the negotiation was undertaken on a tripartite basis between the City Council, YMCA and Hill Residential, the City Council's planning department were offering advice.

Councillor Baigent referred to the concern raised by the public speakers regarding community facilities and suggested an amendment to the recommendations.

Councillor Baigent proposed an additional recommendation as an amendment to the Officer's recommendation:

- Approved further work on the provision and management of community facilities in discussion with the local community, local councillors and the YMCA.

The Committee **unanimously** approved the additional recommendation.

Councillor Cantrill proposed the following amendment to the Officer's recommendation:

Deleted wording ~~struck through~~, additional wording underlined:

- ~~ii. Noted that, following transfer of the land, there would be two planning applications submitted by CIP to develop the land for housing and the YMCA in accordance with the Council's strategic and corporate~~

~~objectives and with the output from the public consultation and pre application planning process.~~

- ii. The transfer of the land would be subject to the following conditions:
 - a) That the level of social housing on the site would be no less than 59% of the total number of homes (currently 187)
 - b) That the Council would receive a rate of interest (on a combination of current and rolled up basis) on the value of the instrument issued in relation to the transfer of the land into the CIP
 - c) That the provision of community facilities would be managed on a joint basis between the Council (and/or an appropriate residents forum from the development) and the YMCA (in a joint venture vehicle)
 - d) That the social housing, when acquired by the HRA, following the development of the site, would be rented on a Local Authority Rent basis
 - e) That the Council commits to acquire a further 20% (37 units of the market homes) through the Cambridge Housing Company, that it would rent on a Local Living Rent basis (ie one third of income of the household)

To the extent that one or a number of the conditions a) to c) were not satisfied then the Council would have the option to trigger the right for the land to revert back to the Council

Councillor Cantrill requested that part C of the amendment be voted on separately. The Committee **rejected** part C of the additional recommendation by 4 votes to 2.

The Committee **rejected** the remainder of the amendment by 4 votes to 2.

Opposition Councillors made the following comments in response to the amendments:

- i. Stated that although parts of both amendments were similar in terms of the focus on community facilities the Liberal Democrat amendment was broader overall.
- ii. They wanted guarantees that the joint venture with the CIP would ensure the interests of both parties. A mechanism needed to be in place which enabled the Council to retrieve the land if the promised features were not delivered.
- iii. Asserted that Councillor Baigent's amendment was too vague. Joint venture management regarding the community facilities required clearly defined aims and objectives to negotiate effectively.
- iv. Stated the belief that the Council should receive a return on the land.

The Strategic Director said the following in response to Members' questions:

- i. The initial brief for the site was for a minimum of 40% social rented housing, this has been exceeded already. If the number was increased to 59% the project funding gap would put significant pressure on the Council.
- ii. To change the levels of social rented housing on the site could have significant implications for the CIP agreement.

The Committee agreed that in order to discuss the detail and financial implications of Councillor Cantrill's amendment the meeting would have to exclude the press and public.

The Scrutiny Committee **resolved** to exclude members of the public from the meeting on the grounds that, if they were present, there would be disclosure to them of information defined as exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Members of the public were excluded at 21:15

Members of the public were readmitted at 21:50

Councillor Bick referred to the future purchase of housing on the site and suggested an amendment to the recommendations.

Councillor Bick proposed the following amendment to the Officer's recommendation:

- v. Agreed to investigate a potential future purchase of market homes on this site for letting at Local Living Rent

The Committee **rejected** the amendment by 4 votes to 2.

The Committee **resolved** by 4 votes to 2 to endorse the officer recommendations.

The Executive Councillor approved the recommendations as amended.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 10.00 pm

CHAIR

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Item

Strategy & Transformation Portfolio

Revenue and Capital Budget Proposals for 2017/18 to 2022/23

To:

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

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

Report by:

Chief Executive, Strategic Directors, Head of Finance

Wards affected:

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

Key Decision

1. Executive Summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2018/19 which will be considered at the following meetings:

Date	Committee	Comments
22 January 2018	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
25 January 2018	The Executive	Budget amendment may be presented
12 February 2018	Strategy & Resources	Consider any further amendments including opposition proposals
22 February 2018	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes a recommendation concerning the review of charges for this portfolio.

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

- a) Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

Revenue:

- b) Consider the revenue budget proposals as shown in Appendix B.

Capital:

- c) Consider the capital budget proposals as shown in Appendix C.
- d) Adjust capital funding for item 2 (c).

3. Background

- 3.1 At its meeting on 19 October 2017, Council gave initial consideration to the budget prospects for the General Fund for 2018/19 and future years in the Medium-Term Financial Strategy (MTFS) 2017.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 22 January 2018 will include a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 25 January 2018 may include details of the Government's Final Settlement for 2018/19. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2018.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating, for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2018/19 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by The Executive at its meeting on 25 January 2018.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2018/19 Budget £	2019/20 Forecast £
Savings:		
Increased Income	-	-
Savings	(86,500)	(170,200)
Total	(86,500)	(170,200)
Bids:		
Unavoidable Revenue Pressures	57,100	69,100
Reduced Income	-	-
Programme	250,000	100,000
Bids	1,033,200	412,200
Total	1,340,300	581,300
Net (savings)/bids	1,253,800	411,100

External Bids	-	-
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Non-Cash Limit Items (net)	-	-
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Capital

- 3.6 The majority of capital bids address the on-going renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (vehicles, building repairs, etc). New capital proposals for this portfolio are shown in Appendix C and summarised in Table 2.

Table 2: Overall Capital Proposals (see Appendix C)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
New Capital Bids	1,030,000	9,081,000	10,200,000	2,500,000	-	-

Public Consultation

- 3.7 The Council has carried out a budget consultation exercise annually since 2002.
- 3.8 This year the Council chose to focus its budget consultations on finding out what a representative sample of local people think about approaches to finding savings that the Council is either currently following or considering. As a part of this participants were also invited to offer any other additional saving ideas that the Council could investigate. This approach was followed this year because it was felt, based on previous experience, wider residents' views about services or the Council were unlikely to have changed since 2016, when a broader residents' survey was carried out.
- 3.9 The budget consultation was undertaken by an independent market research company during September 2017, with 445 randomly selected households participating. In addition two workshops were held with people from low income households to get their perspective. Local businesses were also invited to participate in the consultation and 74 returned completed questionnaires.
- 3.10 The results of the consultation can be found on the council's website at: <https://www.cambridge.gov.uk/budget-consultation>

4. Implications

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

(a) Financial Implications

Page: 4

Financial implications of budget proposals are summarised in the General Fund BSR 2018/19.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund BSR 2018/19.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately to Strategy and Resources Scrutiny Committee. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

A local poverty rating (using the classifications outlined in the BSR) has been included in each budget proposal to assist with assessment.

(d) Environmental Implications

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

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

(e) Procurement Implications

Any procurement implications will be outlined in the BSR 2018/19.

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2018/19.

5. Consultation and communication considerations

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

cambridge.gov.uk/current-consultations

6. Background papers

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

- Budget-Setting Report 2018/19
- Medium-Term Financial Strategy October 2017
- Individual Equality Impact Assessments

7. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Review of Fees & Charges	✓
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	✓

8. Inspection of papers

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

Authors' Names: John Harvey, Linda Thompson, Joanna Darul
Authors' Phone Numbers: 01223 - 458143, 01223 - 458144, 01223 - 458131
john.harvey@cambridge.gov.uk
linda.thompson@cambridge.gov.uk
Authors' Emails: joanna.darul@cambridge.gov.uk

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Review of Charges

Conference/exhibition letting charges for Guildhall

DAILY LETS:-	Charges 2017/18 *	Charges 2018/19 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£134.36	£137.72	2.50%
Evening/Weekends/Bank Holidays (per hour)	£134.36	£137.72	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£268.69	£275.41	2.50%
Evening/Weekends/Bank Holidays (per hour)	£161.21	£165.24	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£134.36	£137.72	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£51.19	£52.47	2.50%
Evening, after 5pm (per hour) + day rate	£51.19	£52.47	2.50%

* All charges are subject to VAT.

2018/19 Budget - Revenue Proposals

Page 1 of 7

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Strategy & Transformation

B4005	Additional funding for the Council's Climate Change Fund	0	250,000	0	0	0	David Kidston	+H
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An additional allocation to the Council's Climate Change Fund to support carbon reduction projects to be delivered in 2018/19, subject to the outcome of feasibility studies to be carried out. Potential projects could include: a solar PV or solar thermal installation at Parkside Pools; a biomass boiler at Kings Hedges Learner Pool; and heating and lighting improvements at the Corn Exchange. None

B4006	Increased capacity to produce public information films	0	9,000	9,000	9,000	9,000	Andrew Limb	Nil
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The purpose of this bid is to increase the council's capacity to produce videos that help to explain its services to residents and other audiences. These videos would be published via the council's social media channels and website, serving to increase awareness of, and access to, the council's services. Bid funds would be used to buy external professional expertise and equipment and/or increase the Council's in-house capabilities. None

B4007	Future contribution to the Sharing Prosperity Fund	0	200,000	0	0	0	David Kidston	Nil
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This makes a further contribution to the Sharing Prosperity Fund. The funding will support the delivery of new or extended projects which will contribute to the delivery of the objectives of the Anti-Poverty Strategy. Potential projects include: extension of the existing Fuel and Water Poverty Officer post; continuing existing work to promote digital access for residents on low incomes and in poverty; continuation of the Living Wage campaign; and a pilot of the Cambridgeshire Culture Card with children and young people who are receiving free school meals and/or pupil premium, which will be addressed in a detailed report for decision after scrutiny by the Community Services Committee. High

B4008	Review of electoral arrangements for Cambridge City Council.	0	20,000	0	0	0	Vicky Breadding	Nil
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The Local Government Boundary Commission for England are conducting a review of the number of councillors, wards and ward boundaries within Cambridge. Extra funding is required to backfill electoral services staff time that will be taken up by the review project, and potentially to buy in additional external analytical capacity. Additional scope also required for necessary research tools and assistance. None

B4015	Funding to support the Cambridge Northern Fringe East (CNFE) Bid	0	475,000	324,000	0	0	Fiona Bryant	Nil
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2018/19 Budget - Revenue Proposals

Page 2 of 7

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

The Cambridge Northern Fringe East offers the last major available undeveloped brownfield site in None Cambridge as a potential site for a new innovation quarter with a live, work and learn philosophy within an area of high connectivity. It forms the Combined Authority's priority bid for the Housing Infrastructure Fund for Capital Funding to relocate the Anglian Water Waste Treatment works as part of a major infrastructure project for housing delivery (7,600 homes proposed). Revenue funding is needed firstly to establish and maintain programme governance and key management support through the bid process and beyond (18/19 £122k and if the bid is successful, a further £137k in 19/20). Secondly funding is required to develop an Area Action Plan (AAP). To meet delivery timescales the AAP process needs to be initiated in 18/19 in advance of the bid outcome. As the AAP covers a wider area than the core CNFE area, the development of an appropriate AAP will be required whatever the bid outcome

B4037	Anti Social Behaviour work and Street Life Coordinator post	0	26,200	26,200	26,200	0	Lynda Kilkelly	Nil
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A one-year only bid of £59.8 was approved in 2017/18 initially to allow a full review of the ASB service, to identify future work levels and priorities for the Council. The review has been carried out and a number of workload areas have been identified that are non-HRA and that must be funded by the General Fund if they are to continue. They include two days per week required to do case work on street life community issues previously funded by the PCC, and essential to the overall strategy of the Street Life Working Group. The net bid for non-HRA work is £26.2k for 2017/18 and will be reviewed in 2020. High

B4040	Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour	0	28,000	28,000	28,000	28,000	Deborah Simpson	Nil
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The proposal is to introduce a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour. For employees the weighting will be paid in addition to salary and the Living Wage supplement, to bring the hourly rate to an equivalent of £10 per hour. For agency workers the weighting will apply in addition to current hourly rates and the Living Wage arrangements. The weighting will be variable, depending upon the current hourly rate and the Living Wage supplement payable at that time. High

B4110	Support for asylum seekers and refugees	0	25,000	25,000	0	0	Lynda Kilkelly	Nil
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A survey was commissioned with Cambridge Ethnic Community Forum to get a better understanding of asylum seekers and refugees in Cambridge not included in the Government schemes under which the Council is resettling refugees. The survey also sought to learn what issues and support is required. This 2 year funding bid will be used to commission services to help meet the needs identified, for example; High

- Providing effective information and translation services
- Tackling economic and social marginalisation
- Providing assistance with immigration status
- Finding accommodation. The funding is needed in 2018/19 as 2017/18 funding via grant, and via Home Office funding to provide advice for VNPR programme refugees no longer applies. The new service will be reviewed mid-way through year 2 to establish whether further support is required in future years.

Total Bids in Strategy & Transformation

0	1,033,200	412,200	63,200	37,000
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2018/19 Budget - Revenue Proposals

Page 3 of 7

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Total Bids		0	1,033,200	412,200	63,200	37,000		
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2018/19 Budget - Revenue Proposals

Page 4 of 7

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Strategy & Transformation

NCL4146	Mill Road depot redevelopment - Equity Loan to CIP - interest receivable	0	(14,000)	(30,000)	(48,000)	(168,000)	Fiona Bryant	Nil
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Interest receivable in relation to CIP equity loan, in excess of budgeted investment returns None

NCL4147	Mill Road depot redevelopment - Equity Loan to CIP - Contribution to GF development earmarked reserve	0	14,000	30,000	48,000	168,000	Fiona Bryant	Nil
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Interest receivable in relation to CIP equity loan in excess of budgeted investment returns moved to None earmarked reserve to provide contingency and risk mitigation for the project

NCL4148	Mill Road depot redevelopment - Development Loan to CIP - interest receivable	0	(19,000)	(350,000)	(200,000)	0	Fiona Bryant	Nil
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Interest receivable in relation to CIP development loan, in excess of budgeted investment returns None

NCL4149	Mill Road depot redevelopment - Development Loan to CIP - Contribution to GF development earmarked reserve	0	19,000	350,000	200,000	0	Fiona Bryant	Nil
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Interest receivable in relation to CIP development loan in excess of budgeted investment returns moved to None earmarked reserve to provide contingency and risk mitigation for the project

Total Non-Cash Limit Items in Strategy & Transformation

0	0	0	0	0
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Total Non-Cash Limit Items

0	0	0	0	0
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2018/19 Budget - Revenue Proposals

Page 5 of 7

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Programme

Strategy & Transformation

PROG4067	Additional funding for Business Transformation Programme	0	250,000	100,000	0	0	Paul Boucher	Nil
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The Council is currently 3 years into delivering a programme of transformational change. We are focussing None the next tranche of projects around delivering the implementation of our digital transformation strategy. The programme has already helped to support the delivery of savings within other programmes through project management and procurement support. Up to 25% of project costs can be incurred without effective management. We aim to deliver more services digitally online whilst still providing support for vulnerable customers or those with complex needs. The bid supports the retention of the Programme Office to support the programme to the end of 2019/20 and provides for additional business analysis and project management resources required to deliver these projects and other staffing costs associated with the programme.

Total Programme in Strategy & Transformation

0	250,000	100,000	0	0
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Total Programme

0	250,000	100,000	0	0
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2018/19 Budget - Revenue Proposals

Page 6 of 7

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Strategy & Transformation

S4102	Reduced pension deficit contributions from the GF	0	(86,500)	(170,200)	(170,200)	(170,200)	John Harvey	Nil
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Following the latest triennial review and negotiations for a 3 year up-front settlement, the anticipated None contributions from the GF to meet the pension deficit are lower than previously budgeted.

Total Savings in Strategy & Transformation	0	(86,500)	(170,200)	(170,200)	(170,200)			
Total Savings	0	(86,500)	(170,200)	(170,200)	(170,200)			

2018/19 Budget - Revenue Proposals

Page 7 of 7

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Unavoidable Revenue Pressure

Strategy & Transformation

URP4009	Members Allowances	0	12,000	24,000	24,000	24,000	Gary Cliff	Nil
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There is further work from the Independent Remuneration Panel on special responsibility allowances and any None approved increase would need funding. Also, the basic allowance for all Members will rise in line with the National Living Wage up to and including 2019/2020 and is the majority of the total bid.

URP4020	Increase in recharge of Asset Management Team to the General Fund	0	45,100	45,100	45,100	45,100	Trevor Burdon	Nil
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A review of the work undertaken by the HRA Asset Management Team results in an increase in recharge to None the General Fund in respect of work to administrative buildings, compliance and commercial property, etc

Total Unavoidable Revenue Pressure in Strategy & Transformation

0	57,100	69,100	69,100	69,100
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Total Unavoidable Revenue Pressure

0	57,100	69,100	69,100	69,100
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Report Total

0	1,253,800	411,100	(37,900)	(64,100)
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2018/19 Budget - Capital Proposals

Page 1 of 1

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Strategy & Transformation

C4041	Cambridge City CCTV infrastructure procurement	80,000	521,000	0	0	0	Joel Carre	+L
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Invest in City Council CCTV infrastructure as follows: a) Replacement of beyond economic repair/ obsolete CCTV cameras (60 x public space and 43 x public car park) with new Digital IP High Definition cameras; b) Replacement of obsolete digital CCTV recording and software platform with new Network Video Recording and suitable software platform and client PC operator machines; and c) Upgrade CCTV radio network so that it is resilient and uses an OFCOM licenced frequency to prevent interference and ensure stable usage in line with operational requirements. Of the total associated investment, £66K is directly attributable to Parking Service CCTV infrastructure. None

C4142	Mill Road depot development - capital contribution	0	5,760,000	0	0	0	Fiona Bryant	Nil
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A capital contribution of £5,760k is proposed to support the redevelopment of the council's Mill Road depot, None principally for affordable and market housing. This development will be delivered by CIP providing the council with a capital receipt for the land and a projected surplus on the scheme. [Funded by temporary borrowing]

C4144	Mill Road depot redevelopment -Equity Loan to CIP	950,000	1,250,000	1,000,000	2,500,000	0	Fiona Bryant	Nil
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As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment None Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing]

C4145	Mill Road depot redevelopment - Development Loan to CIP	0	1,550,000	9,200,000	0	0	Fiona Bryant	Nil
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As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment None Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing]

Total Capital Bids in Strategy & Transformation	1,030,000	9,081,000	10,200,000	2,500,000	0			
Total Capital Bids	1,030,000	9,081,000	10,200,000	2,500,000	0			
Report Total	1,030,000	9,081,000	10,200,000	2,500,000	0			

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Item

Finance and Resources Portfolio

Revenue and Capital Budget Proposals for 2017/18 to 2022/23

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources Portfolio

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

Report by:

Chief Executive, Strategic Directors, Head of Finance

Wards affected:

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

Key Decision

1. Executive Summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2018/19 which will be considered at the following meetings:

Date	Committee	Comments
22 January 2018	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
25 January 2018	The Executive	Budget amendment may be presented
12 February 2018	Strategy & Resources	Consider any further amendments including opposition proposals
22 February 2018	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes a recommendation concerning the review of charges for this portfolio.

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

- a) Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

Revenue:

- b) Consider the revenue budget proposals as shown in Appendix B.

Capital:

- c) Consider the capital budget proposals as shown in Appendix C.
d) Adjust capital funding for item 2 (c).

3. Background

- 3.1 At its meeting on 19 October 2017, Council gave initial consideration to the budget prospects for the General Fund for 2018/19 and future years in the Medium-Term Financial Strategy (MTFS) 2017.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 22 January 2018 will include a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 25 January 2018 may include details of the Government's Final Settlement for 2018/19. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2018.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating, for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2018/19 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by The Executive at its meeting on 25 January 2018.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2018/19 Budget £	2019/20 Forecast £
Savings:		
Increased Income	(270,000)	(350,000)
Savings	(55,000)	(57,500)
Total	(325,000)	(407,500)
Bids:		
Unavoidable Revenue Pressures	30,000	30,000
Reduced Income	50,000	50,000
Bids	135,000	189,600
Total	215,000	269,600
Net (savings)/bids	(110,000)	(137,900)

External Bids	-	-
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Non-Cash Limit Items	-	-
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Capital

- 3.6 The majority of capital bids address the on-going renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (vehicles, building repairs, etc). New capital proposals for this portfolio are shown in Appendix C and summarised in table 2.

Table 2: Overall Capital Proposals (see Appendix C)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
New Capital Bids	-	1,028,000	172,000	-	-	-

Public Consultation

- 3.7 The Council has carried out a budget consultation exercise annually since 2002.
- 3.8 This year the Council chose to focus its budget consultations on finding out what a representative sample of local people think about approaches to finding savings that the Council is either currently following or considering. As a part of this participants were also invited to offer any other additional saving ideas that the Council could investigate. This approach was followed this year because it was felt, based on previous experience, wider residents' views about services or the Council were unlikely to have changed since 2016, when a broader residents' survey was carried out.
- 3.9 The budget consultation was undertaken by an independent market research company during September 2017, with 445 randomly selected households participating. In addition two workshops were held with people from low income households to get their perspective. Local businesses were also invited to participate in the consultation and 74 returned completed questionnaires.
- 3.10 The results of the consultation can be found on the council's website at: <https://www.cambridge.gov.uk/budget-consultation>

4. Implications

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

(a) Financial Implications

Financial implications of budget proposals are summarised in the General Fund BSR 2018/19.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund BSR 2018/19.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately to Strategy and Resources Scrutiny Committee. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

A local poverty rating (using the classifications outlined in the BSR) has been included in each budget proposal to assist with assessment.

(d) Environmental Implications

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

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

(e) Procurement Implications

Any procurement implications will be outlined in the BSR 2018/19.

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2018/19.

5. Consultation and communication considerations

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

cambridge.gov.uk/current-consultations

6. Background papers

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

- Budget-Setting Report 2018/19
- Medium-Term Financial Strategy October 2017
- Individual Equality Impact Assessments

7. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Review of Fees & Charges	✓
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	✓

8. Inspection of papers

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

Authors' Names: Linda Thompson, John Harvey
Authors' Phone Numbers: 01223 - 458144, 01223 – 458143
linda.thompson@cambridge.gov.uk
Authors' Emails: john.harvey@cambridge.gov.uk

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**Finance & Resources Portfolio
Strategy & Resources Scrutiny Committee
Land Charges**

Appendix A1

Charge Type and description	Charges 2017/18	Proposed Charges 2018/19	% increase 2018/19
Land Charges			
LLC1	£22.00	£22.00	0.0%
CON29R *	£125.00	£125.00	0.0%
Each additional Parcel of Land *	£12.00	£12.00	0.0%
Additional Enquiries *	£12.00	£12.00	0.0%
CON290 (Optional Enquiries) *			
Q4 - Road Proposals	£0.00	£8.00	100%
Q5 - Advertisements	£8.00	£8.00	0.0%
Q6 - Completion Notices	£8.00	£8.00	0.0%
Q7- Parks & Countryside	£8.00	£4.00	-50.0%
Q9 - House in Multiple Occupation	£8.00	£8.00	0.0%
Q10- Noise Abatement and other Nuisances	£8.00	£4.00	-50.0%
Q11 - Urban Development Areas	£8.00	£4.00	-50.0%
Q12 - Enterprise Zones	£8.00	£8.00	0.0%
Q13 - Inner Urban Development Areas	£8.00	£4.00	-50.0%
Q14 - Simplified Planning Zones	£8.00	£4.00	-50.0%
Q15 - Land Maintenance Notices	£8.00	£8.00	0.0%
Q16 - Mineral Consultation Areas	£4.00	£4.00	0.0%
Q17 - Hazardous Substance Consents	£8.00	£8.00	0.0%
Q18 - Environmental & Pollution Notices	£8.00	£8.00	0.0%
Q19 - Food Safety Notices	£8.00	£8.00	0.0%
Q20 - Hedgerow Notices	£8.00	£8.00	0.0%
Q21 - Flood Defence and Land Drainage Consents	£4.00	£4.00	0.0%
Q22 - Common Land, Town and Village Greens	£8.00	£8.00	0.0%

Notes

* Subject to the standard rate of VAT

Finance & Resources portfolio - Review of Charges - 2018/19

Charge Type and description	Charges 2017/18	Charges 2018/19	% increase 2018/19 **
Mooring Fees*			
Tariff Class 30 - vessel upto 5 metres	765.00	796.00	4.1%
Tariff Class 32 - vessel under 3 metres	765.00	796.00	4.1%
Tariff Class 33 - Vessel 3 to 5 metres	765.00	796.00	4.1%
Tariff Class 34 - Vessel 5 to 7.5 metres	816.00	849.00	4.1%
Tariff Class 35 - Vessel 7.5 to 10 metres	867.00	903.00	4.1%
Tariff Class 36 - Vessel 10 to 12.5 metres	918.00	956.00	4.1%
Tariff Class 37 - Vessel 12.5 to 15 metres	969.00	1,009.00	4.1%
Tariff Class 38 - Vessel 15 to 20 metres	1,020.00	1,062.00	4.1%
Tariff Class 39 - Vessel over 20 metres	1,122.00	1,168.00	4.1%
Tariff Class 51 - Any other vessel	1,122.00	1,168.00	4.1%
<p>* Tariff as used by Cam Conservators for River Navigation Licensing</p> <p>** The agreed fee increase for the 2018/19 financial year is as per the Review of Moorings Policy (March 2017) - RPIX for September 2017 - 4.1%</p>			

2018/19 Budget - Revenue Proposals

Page 1 of 5

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Finance & Resources

B3998	Council Tax Officer - Invest to maintain essential income	0	30,000	30,000	30,000	30,000	Kevin Jay	Nil
--------------	--	---	--------	--------	--------	--------	-----------	-----

Despite use of on-line systems and more efficient working, the on-going increase in households has led to extended processing times and a deterioration in customer service with unnecessary repeat contacts. The current backlog is not sustainable; an additional officer will increase capacity to cope with expected growth, maintain collection rates and significantly improve customer satisfaction, providing capacity for coping with expected workload increases over the next two years, by which time the introduction of full service Universal Credit and a revised council tax reduction scheme will have necessitated a full service review. Low

B4004	Staffing – Fraud Prevention Officer	0	16,400	16,400	16,400	16,400	Naomi Armstrong	Nil
--------------	--	---	--------	--------	--------	--------	-----------------	-----

In order to maintain current staffing levels a bid is being made for funding of a fraud prevention officer in light of the end of DCLG funding for this post. The bid represents the General Fund proportion (40%) of the costs for the post. (Linked to proposal B4101). Low

B4068	Digital Team Staffing - Joint 3C (three council) approach with Hunts DC and South Cambs DC	0	88,600	143,200	143,200	112,400	Jonathan James	Nil
--------------	---	---	--------	---------	---------	---------	----------------	-----

To create a collaborative Digital Structure working within 3C ICT that will give respective digital initiatives None greater impetus and focus. The resources include the vital future hosting and development costs associated with the council's website, and will also facilitate C4065 as well as a transformational digital programme of work within the council. Strong public support for digital transformation and channel shift was evidenced in the City Council's recent budget consultation exercise. GF element [Linked to B4132]

Total Bids in Finance & Resources

0	135,000	189,600	189,600	158,800
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Total Bids

0	135,000	189,600	189,600	158,800
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2018/19 Budget - Revenue Proposals

Page 2 of 5

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Increased Income

Finance & Resources

II4038	Commercial Property Acquisitions Additional Income	0	(180,000)	(260,000)	(260,000)	(260,000)	Dave Prinsep	Nil
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Income generated from commercial property acquisition funding of £20 million in last year's Medium Term None Financial Strategy assumed c5.5% return on price after acquisition costs. Based on existing and planned acquisitions, the overall return on price is likely to be in the region of 6.5% leading to additional income generated in 2018/19. There will no be adjustment for MRP to this income as that is calculated from the expenditure which will be unchanged.

II4039	Commercial Property Additional Income	0	(90,000)	(90,000)	(90,000)	(90,000)	Dave Prinsep	Nil
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Forecast additional net income in 2018/19 and ongoing reflecting expected rent reviews, lease renewals and None lettings on the existing property portfolio.

Total Increased Income in Finance & Resources

0	(270,000)	(350,000)	(350,000)	(350,000)
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Total Increased Income

0	(270,000)	(350,000)	(350,000)	(350,000)
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2018/19 Budget - Revenue Proposals

Page 3 of 5

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Reduced Income

Finance & Resources

RI4002	Local Taxation shortfall in court costs income	0	38,000	38,000	38,000	38,000	Kevin Jay	Nil
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The shortfall in Local Taxation court costs income is primarily due to the team's efficiency in terms of the clearing of historic arrears in prior years, which has resulted in current court cost recovery being mainly in respect of current year liability. The income budget needs to be adjusted to reflect this position and a reduced income bid is being submitted in light of this.

RI4035	Loss of Credit Card Charge Income	0	12,000	12,000	12,000	12,000	Charity Main	Nil
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Legislation will prevent organisations from recovering credit card processing costs by levying an additional fee.

Total Reduced Income in Finance & Resources	0	50,000	50,000	50,000	50,000	50,000		
Total Reduced Income	0	50,000	50,000	50,000	50,000	50,000		

2018/19 Budget - Revenue Proposals

Page 4 of 5

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Finance & Resources

S4036	Document Scanning savings for Customer Services	0	(5,000)	(7,500)	(7,500)	(7,500)	Clarissa Norman	Nil
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Currently Cambridge City Council has a scanning contract to process documents for Revenues and Benefits. None This contract is scheduled to expire on 30.06.18. The plan is to bring the workload associated with this task back into Customer Services due to reduced volumes in scanning. The work effort associated with the revised volumes equates to 1.5 FTE staff members, leaving a net saving of £5,000 in 2018/19 and £7,500 thereafter.

S4070	ICT Shared Service Contribution - Increase in Savings Target	0	(50,000)	(50,000)	(50,000)	(50,000)	Jonathan James	Nil
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Forecast increase in ICT Shared Service savings target to reflect contract efficiencies and reduced use of None hired contractors.

Total Savings in Finance & Resources	0	(55,000)	(57,500)	(57,500)	(57,500)			
Total Savings	0	(55,000)	(57,500)	(57,500)	(57,500)			

2018/19 Budget - Revenue Proposals

Page 5 of 5

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Unavoidable Revenue Pressure

Finance & Resources

URP4066	Insurance Premiums	0	30,000	30,000	30,000	30,000	Karl Tattam	Nil
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Changes in legislation have seen the discount rate for Personal Injury claims change from +2.5% to -0.75%, this will have an impact on insurance premiums which cover personal injury claims (Public Liability (PL), Employers' Liability (EL) and Motor). We will also increase the indemnity limits to £30 million for EL and PL covers. The impact on EL and PL premiums is unknown, this is an estimate based on the increase to Motor Premiums.

Total Unavoidable Revenue Pressure in Finance & Resources	0	30,000	30,000	30,000	30,000			
Total Unavoidable Revenue Pressure	0	30,000	30,000	30,000	30,000			
Report Total	0	(110,000)	(137,900)	(137,900)	(168,700)			

2018/19 Budget - Capital Proposals

Page 1 of 2

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Finance & Resources

C4010	Barnwell Business Park remedial works to the roofs	0	90,000	0	0	0	Andrew Muggeridge	Nil
<p><i>The project is to carry out large scale repairs to failed roof fixings.</i></p>								None
C4011	Refurbishment of the Leaded Windows in the Large Hall - Guildhall	0	101,000	0	0	0	Andrew Muggeridge	Nil
<p><i>Refurbishment of the leaded windows to one elevation in the Large Hall. The leaded windows in the Large Hall incorporate the coat of arms of several of the City's Colleges and date back over a hundred years, these windows not only form an important part of the history of Cambridge, but also Cambridge City Council.</i></p>								None
C4012	Resealing the roof at Robert Davies Court	0	177,000	0	0	0	Andrew Muggeridge	Nil
<p><i>The project is to recover the existing perished roof covering.</i></p>								None
C4065	My Cambridge City' Account - Online Customer Portal	0	160,000	76,000	0	0	Jonathan James	Nil
<p><i>Implementation of the 'Single Customer Account' portal will mean Cambridge's citizens will soon be able to access a range of critical services from a single, integrated online portal. Customers will be able to Book It, Track It, Report It and Pay It. Year one costs include implementation. With regard to year three it is expected that customer channel shift will have resulted in a significant reduction in customer contacts to enable the service to be self-financing from existing budgets through the reduction of staffing costs. Further years' savings are possible, but it is difficult to predict these as this will be based on further customer uptake of the online portal.</i></p>								Low
C4069	Council Anywhere - Desktop Transformation	0	400,000	96,000	0	0	Jonathan James	Nil
<p><i>This bid is for investment in a Desktop Transformation programme to provide a platform fitting the ICT Strategy, to support the work of the council and provision of its services, improving efficiency and support. This solution would standardise the desktop hardware, Office software and the network environment needed to control and secure the desktop infrastructure. The bid includes costs for hardware, software, licences and the professional costs in order to reconfigure the underlying network.</i></p>								None
C4117	Adaptations to Riverside Railings	0	100,000	0	0	0	Alistair Wilson	Nil

2018/19 Budget - Capital Proposals

Page 2 of 2

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

A feasibility study was completed in March 2017 and concludes that at this point in time it would appear *Low* feasible to make adaptations to the riverside wall and parapet rail to enable safe access for up to seven licensed vessels (moored generally in pairs from three floating pontoons accessed by ladders from street level with lockable gates, plus one from the Stourbridge Common river bank adjacent to the end of the retaining wall). This was subject to further detailed site investigation, design work, construction estimates and liaison with principal stakeholder organisations, which has now been completed.

Total Capital Bids in Finance & Resources

0	1,028,000	172,000	0	0
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Total Capital Bids

0	1,028,000	172,000	0	0
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Report Total

0	1,028,000	172,000	0	0
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Item

Finance and Resources Portfolio – Budget-Setting Report (BSR) 2018/19

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

Report by:

Caroline Ryba, Head of Finance

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

Wards affected:

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

Key Decision

1. Executive Summary

Overview of Budget-Setting Report

- 1.1 At this stage in the 2018/19 budget process the range of assumptions on which the Medium-Term Financial Strategy (MTFS) was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for the budget considerations.
- 1.2 The Budget-Setting Report (BSR), which is attached, includes the detailed revenue bids and savings and capital proposals and sets out the key parameters for the detailed recommendations and budget finalisation being considered at this meeting. This report reflects recommendations that will be made to The Executive on 25 January 2018 and then to Council, for consideration at its meeting on 22 February 2018.
- 1.3 The recommendations that follow refer to the strategy outlined in the BSR and all references to Appendices, pages and sections relate to the Budget-Setting Report 2018/19 (Version 1 – Strategy & Resources) as reported to and seeking recommendations at Strategy & Resources Scrutiny Committee on 22 January 2018.

2. Recommendations

The Executive Councillor is recommended to:

General Fund Revenue Budgets: [Section 5, page 31 refers]

- a) Agree any recommendations for submission to the Executive in respect of:
 - Revenue Pressures shown in Appendix C (a) and Savings shown in Appendix C (b).
 - Bids to be funded from External or Earmarked Funds as shown in Appendix C (c).
 - Non-Cash Limit items as shown in Appendix C (d).
- b) Recommend to Council formally confirming delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which will be set out in Appendix A (a).
- c) Recommend to Council the level of Council Tax for 2018/19 as set out in Section 4 [page 28 refers].

Note that the Cambridgeshire Police and Crime Panel will meet on 31 January 2018 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 8 February 2018 and Cambridgeshire County Council will meet on 9 February 2018 to consider the amounts in precepts to be issued to the City Council for the year 2018/19.

Other Revenue:

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- e) Recommend to Council approval of setting up an earmarked fund - the "GF development fund" [with the remit as page 27 refers]. The council will provide loans to Cambridge Investment Partnership (CIP), of which it is a member, to support the development of the former council depot on Mill Road. The proposals and resulting interest income are covered in more detail in Section 5. It is proposed to retain income from this and other CIP developments in an earmarked reserve reflecting uncertainty in both timings and quantum, and to provide a contingency fund reflecting the potential risks in this scheme and future schemes under development.

Capital: [Section 7, page 37 refers]

Capital Plan:

- f) Recommend to Council the proposals outlined in Appendix E (a) for inclusion in the Capital Plan, including any additional use of revenue resources required.
- g) Recommend to Council the revised Capital Plan for the General Fund as set out in Appendix E (d), the Funding as set out in Section 7, page 40 and note the Projects Under Development list set out in Appendix E (e).

General Fund Reserves:

- h) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 8, page 45 refers].

3. Background

- 3.1 At its meeting on 19 October 2017, Council gave initial consideration to the budget prospects for the General Fund for 2018/19 and future years in the Medium-Term Financial Strategy (MTFS) 2017.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 22 January 2018 includes a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 25 January 2018 may include details of the Government's Final Settlement for 2018/19. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2018.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

4. Implications

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

(a) Financial Implications

Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2018/19.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2018/19.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately on this agenda. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

A local poverty rating (using the classifications outlined in the BSR (Appendix B) has been included in each budget proposal to assist with assessment.

(d) Environmental Implications

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

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

Any procurement implications will be outlined in the BSR 2018/19.

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2018/19.

5. Consultation and communication considerations

Budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at: cambridge.gov.uk/current-consultations

6. Background papers

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

- Budget Setting Report 2018/19
- Medium-Term Financial Strategy (MTFS) October 2017
- Individual Equality Impact Assessments

7. Appendices

The following item is included in this report:

- Budget-Setting Report 2018/19 Version 1, February 2018 (covering 2017/18 to 2022/23)

8. Inspection of papers

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

Authors' Names: Caroline Ryba
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Version 1
Strategy &
Resources

Budget-Setting Report 2018/19



February
2018

2018/19

Cambridge City Council

Version Control

	Version No.	Revised version / updates for:	Content / Items for Consideration
Current	1	Strategy & Resources Scrutiny Committee (22 January 2018)	Initial budget overview and budget proposals
		The Executive (25 January 2018)	Proposals of the Executive
	2	Special Strategy & Resources Scrutiny Committee (12 February 2018)	Amendments to Executive proposals Opposition budget amendment proposals
	3	Council (22 February 2018)	Final Proposals to Council Incorporating updates relating to; - Head of Finance final Section 25 report
4	Council (Final)	Approved Budget-Setting Report incorporating - Final Local Government Finance Settlement 2018/19 - Decisions of Council - Appendix B(b) Council Tax Setting following receipt of County Council, Police and Fire Authority precepts	

Anticipated Precept Setting Dates

Cambridgeshire Police and Crime Commissioner	Cambridgeshire & Peterborough Fire Authority	Cambridgeshire County Council
31 January 2018	8 February 2018	9 February 2018

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

The country has now suffered for over seven years from the imposition of the austerity policies by successive governments. Public services for many in Cambridge have been cut, while at the same time market forces have been allowed to dictate rising costs. Failing to regulate markets, including private rented housing and energy, has brought great hardship to many and often the same people who have suffered from welfare benefit cuts.

National evidence shows this has hit lower income local households far more than those on higher incomes, and the gap in wealth across Britain 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 target for assistance. The poorest in our city need direct help and support via the community organisations we grant-fund and our extra housing investment. Everyone in Cambridge deserves the opportunity to share in the city's growing prosperity.

The Council budget for Cambridge in 2018/19 is based on our vision to lead a united city that is "One Cambridge - Fair for All", in which economic dynamism and prosperity are combined with social justice and equality. It's a vision we will share and develop, working with our residents and partner organisations.

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

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

In producing a budget to achieve these objectives, existing resources have been reviewed and reused or, where appropriate, rechannelled into providing improvements in delivery of existing services. For example, we have invested in shared council service delivery and joint digital technology projects with Huntingdonshire and South Cambridgeshire which involves

extra initial costs, but which then cuts our overall operating costs, and improves service quality.

This budget continues our strategy of identifying and allocating new resources to further develop priority services and add new ones.

Building 500 New Council Homes, Tackling Homelessness, and Wider Capital Investment

Over the last year great progress has been made in establishing the joint venture to develop housing, especially social homes, in sites across the city. The City Council's programme of *"500 New Council Homes for Cambridge"* has secured £70m in government grant and up to £30m of receipts from Right-to-Buy sales to invest in new housing, plus the reuse of council land suitable for high quality, sustainable new housing.

The separate Housing Revenue Account (HRA) budget report contains more details, and this General Fund budget adds plans to invest £5.76m in the development of the council's Mill Road depot site. This funding will enable the site to be built with an enhanced 50% level of council housing rather than the 40% affordable housing which is the usual standard and is elsewhere not always achieved. This programme and funding exemplifies our commitment to funding social housing and will be paid for using the capital receipt from the land and our share of the profits on the Mill Road depot redevelopment.

The main vehicle for building our new council homes will be the Cambridge Investment Partnership or CIP, a 50/50 partnership between the City Council and respected local house builders Hill Investment Partnership. The Council will provide capital and loans to enable CIP to construct homes on sites, with viability often assisted by the sale of the private homes once built. Interest will also be earned by the Council from this funding.

On homelessness in Cambridge, the council's extensive work to cut homelessness and poor accommodation in the private housing sector will be further supported by Government grant and 6 additional staff to implement the Homelessness Reduction Act with its emphasis on prevention. A further new post will help speed up assessment and support to enable those in need to be housed more quickly. Additional funding will be provided for the Housing Development Agency to ensure it is well established to manage the development of further new housing, especially in conjunction with the Cambridge Investment Partnership.

Digital Investment to Increase Efficiency and Further Improve Responsiveness to Residents

Underpinning the running of council services and responding to the needs of residents there needs to be strong and well managed administration and especially the use of latest

computing and digital technology and expanded IT capacity. In April 2017, this service was put fully into the hands of the joint service with Huntingdonshire and South Cambridgeshire councils and this has enabled plans for £1.7m of capital investment by the City Council, matched by contributions from the other two councils where services are shared:

- “My Cambridge City” online portal for residents to more easily access a range of services critical to their needs
- “Council Anywhere” to provide an upgraded digital platform to control and secure the work of council systems and enable staff from all Cambridge locations, not just council offices
- New software to develop further efficiencies in managing the waste collection and disposal service shared with South Cambridgeshire
- A further revenue bid to provide a permanent new team across the three councils developing innovative digital systems for a wide range of applications such as hand held devices for housing supervisors or environmental health officers to use on site to record information direct to council systems
- Upgrading all the city's 103 CCTV cameras including in our carparks, recorders, software and wireless links, in the joint CCTV service with Huntingdonshire.

Cambridge Initiatives to Cut Poverty

A further £200,000 will be allocated to the Sharing Prosperity Fund taking the total investment in tackling poverty to over £1.5m since its inception in 2014/15. Extra projects in 2018 to be paid for from this fund include:

- Work to reduce fuel and water poverty in Cambridge with staff and a winter warmer campaign
- Support for the Street Aid scheme providing help to rough sleepers to help it become self-sustaining
- Outreach work to advise and help those needing support when Universal Credit is imposed in Cambridge
- Increased digital access for those on low incomes
- Outreach work by Cambridge CAB in health centres to reach our most isolated and disadvantaged residents.

Tackling Climate Change and Cutting Pollution

The council is committed to increasing the city's future sustainability, acting locally to make a difference globally. We will continue to work to encourage businesses and other

organisations reduce their carbon footprint, partly by the council leading the way. Our Climate Change Fund will be topped up with a further £250,000 enabling extra work to reduce the council's carbon footprint, including:

- A solar PV and/or thermal system to provide hot water at Parkside Pool,
- A biomass boiler at Kings Hedges learner pool,
- Heating and lighting improvements at the Corn Exchange, and
- working towards our objective of a carbon neutral Cambridge by 2050, or earlier if that proves possible.

Developing a new Joint Greater Cambridge Plan to 2050, and Improving Planning

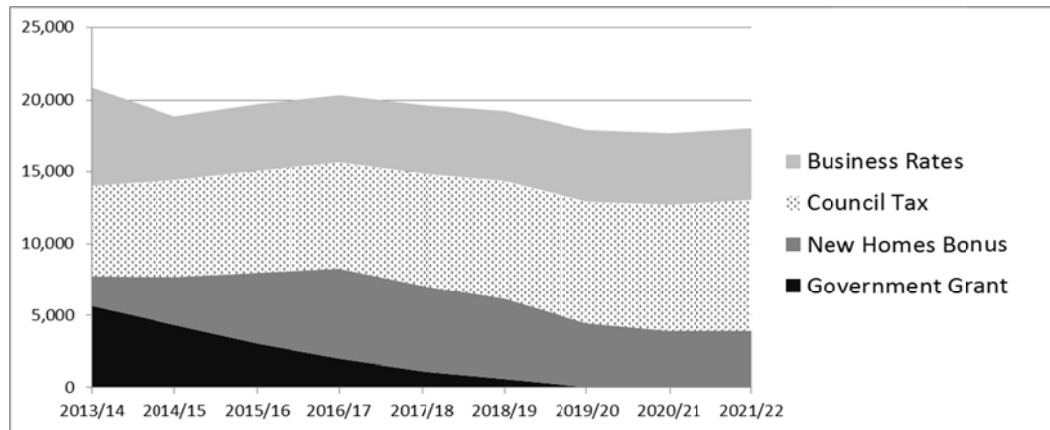
The council's planning function will be given increased support in its work of seeking to influence and control developments both large and small. It is vital that we do what we can to protect our environment whether plans affect one of the many Conservation areas in the city or whole areas of land in new locations for development. This budget includes:

Funding the establishment of a stronger, unified joint Greater Cambridge Planning Service with South Cambridgeshire.

- Committing four year's funding of £600,000 to 2022 to fund the joint new Local Plan with South Cambridgeshire and new planning strategies for sustainable growth and environmental and community improvements across Cambridge
- Funding essential preparatory work to develop the last major undeveloped brownfield site in Cambridge, on the north-east fringe including seeking £193 million in national Housing Infrastructure Funding to help move the sewage and wastewater recycling plant, to enable up to 7,600 new homes to be built in that corner of the city
- Funding an extra full-time city planning enforcement officer, given the need to ensure planning rules are followed by all.

Funding the budget

The national government is continuing to fail to apply progressive taxes on the very rich, while cutting grants to local government and failing to adequately fund vital national services such as the NHS. In Cambridge our core funding has changed greatly over the last few years



Graph: Historic and projected Grant and Tax income in £000s

This chart shows the annual Government Grant to the city council dropping from over £5,000,000 in 2013 to nil in 2019. It also shows the reducing value of New Homes Bonus funding following the changes announced by the Government in 2016. The combination of these cuts puts more pressure on the council's budgets in the next few years and demonstrates the Government's intention that councils should be funded primarily locally, through the Council Tax and Business Rates. These are both regressive forms of taxation applied uniformly regardless of income, and this change highlights the importance of the council's strategies of:

- supporting those in most need
- running the council as efficiently as possible.
- establishing ways which make us less reliant on Government funding.

This budget contains many proposals for developing income from new sources such as our further investment in commercial property. Another example is our vehicle maintenance garage at Waterbeach which is now established and developing work with businesses and other councils on their commercial vehicles.

Despite the austerity cuts imposed by the government this Budget continues the vital work of this administration for the whole Cambridge community in 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. "One Cambridge, Fair for All"

Councillor Lewis Herbert, *Leader of the Council*

Councillor Richard Robertson, *Executive Councillor for Finance & Resources*

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Section 1

Introduction

Purpose

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

On 19 October 2017 the council approved the Medium Term Financial Strategy (MTFS). The MTFS set out the financial strategy for the council in light of local and national policy priorities, external economic factors and the outlook for public sector funding. The MTFS also reviewed key assumptions and risks, thereby confirming the framework for detailed budget work for 2018/19 and beyond.

The BSR reviews the impacts of developments since the MTFS and sets the financial context for the consideration of detailed recommendations and budget finalisation to be made at council on 22 February 2018. The document proposes a detailed budget for the next financial year, and indicative budget projections for the following four years.

Background

The financial planning context for the BSR is set by the MTFS. This identified a total net savings requirement of around £1m over the 4 years latter years of the 5 year period, after taking into account changes to base assumptions and pressures and savings identified at that time.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Net savings requirement	-	0.245	0.245	0.245	0.245	0.980

These savings requirements stem from reductions in government funding, unavoidable cost increases and pressures, including the additional net cost of services for every new home in

the City. Increased income from commercial property together increased parking fees due to the postponement of major works at Park Street have given us the opportunity to reduce the savings target in the medium term although this will be reviewed annually at the MTFs. However, considerable levels of risk and uncertainty remain, including the possible impacts of the review of business rates retention and associated additional responsibilities, appeals resulting from business rates revaluation as at April 2017 and the future of New Homes Bonus. Whilst the council has a record of identifying and delivering savings through service reviews and value for money improvements, many such savings have already been delivered and it is becoming more difficult to identify and deliver further savings and efficiencies.

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

Key dates

The key member decision-making dates are as follows:

Date	Task
2018	
22 January	Strategy and Resources Scrutiny Committee considers BSR
25 January	The Executive recommends BSR to Council
12 February	Special Strategy and Resources Scrutiny Committee considers any budget amendment proposals
22 February	Council approves the budget and sets the council tax for 2018/19

Section 2

Local and national policy

Local policy priorities

The local policy priorities for the council are identified through the budget consultation and the council's annual statement which in turn feed into the corporate plan. The plan sets out in more detail how the vision 'Building a fairer Cambridge together' will be delivered. The current plan, which will be reviewed during 2018-19, can be found at <https://www.cambridge.gov.uk/corporate-plan>.

MTFS 2017 included a foreword by the Leader of the Council and the Executive Councillor for Finance and Resources which supplements the annual statement and confirms the direction of travel for the council. It advocates developing a strategy to deliver a balanced budget through partnership working, either with other public sector organisations or local businesses, whilst investing significantly in our commercial property portfolio. These strategies will deliver savings to build on 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, planning ahead to make the council more productive and less reliant on external funding while maintaining and developing services. This is reflected in the detailed framework for the budget work.

Corporate plan

The corporate plan sets out the strategic objectives for Cambridge City Council for the years 2016-19. It sets out key activities the council will undertake in order to achieve its strategic objectives and deliver its vision. Success measures and key performance indicators (KPIs) are shown, as are lead Executive Councillors and officers. The corporate plan provides a key component of the local policy context looking forward over the three year period it covers. It has been updated to reflect structures and responsibility changes.

Review of demographic factors

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

Services use projections and estimates of population growth and the number of new dwellings to plan for the impacts of growth. The expected location of these changes can also be significant. Whilst Office of National Statistics (ONS) mid-year population estimates show a growth of 3,000 people or 2.5% for Cambridge as a whole over the past three years (2014 to 2016), Trumpington ward has seen the bulk of this increase, growing by 2,800 people or 30% of its ward population during the same period.

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

Growth of Cambridge

With the on-going implementation of the planned housing and economic growth of Cambridge, the city's population is set to increase by more than 25% between 2011 and 2031. The council is already focussed on meeting the needs of new communities and residents through better use of technology, joint services with other local authorities and partnership working (through the Greater Cambridge Partnership and Combined Authority) in order to lever in funding for infrastructure improvements.

Whilst new homes generate new council tax income for providing services, the increase in the student population (with council tax exemptions) and the number of commuters, plus the particular needs of new residents as they settle into new communities, can present additional service demands and financial pressure however. This is at a time on on-going financial pressures facing council budgets with the phased withdrawal of core grants from central government.

The council will continue to explore ways to make better use of resources (say, for managing and maintaining new open spaces being created as part of new

neighbourhoods and to enable new communities to become established and thrive on their own sooner).

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 City Deal (now the Greater Cambridge Partnership). The agreement 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 funding will enhance the status of Greater Cambridge 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 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 organisations¹ in Cambridgeshire, including Cambridge City Council, agreed a devolution deal with the government to form the Cambridgeshire and Peterborough Combined Authority (CPCA). The deal gives delegated powers to the CPCA 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 CPCA.

The CPCA 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

¹ 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

- improving transport and digital infrastructure.

It has been agreed that CPCA 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 CPCA (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 CPCA. Each Council could also decide voluntarily to make a financial contribution to the CPCA.

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

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 partners)	Legal (3)	ICT (3)
Housing Development Agency (2)	Home Improvement Agency (2)	CCTV (2)
Internal Audit (2)	Waste & Recycling (2)	Payroll (2)

Staff consultation is underway for The Greater Cambridge Planning Service together with the drafting of a Memorandum of Understanding. The business transfer is due on 1 April 2018 with full systems integration by December 2018.

Cambridge Investment Partnership (CIP)

CIP is a partnership between the City Council and Hill Investment Partnership. It is a 50:50 Limited Liability Partnership (LLP). The investment partnership model provides an opportunity for the Council to benefit from the experience and additional resource that a development partner can bring. Each partner shares the outputs (financial and social) in proportion to the value of its input, and therefore the model allows the partners to share the development risk and the development uplift arising from a scheme.

The agreed objectives of CIP as set out in the Members Agreement are:-

- Investment in the development of land to create successful new places that meet both the financial objectives (primarily a revenue return) and social objectives of Cambridge City Council (particularly housing that is affordable and is needed locally), provided always that individual sites may be developed to meet either financial or social objectives;
- Improve the use of council assets and those of other public sector bodies in the Cambridge, or Cambridge-wide area;
- Maximise the financial return through enhanced asset value (with reference to the first bullet above);
- Provide a return to the investment partners commensurate to their investment and the level of risk in respect to such investment.

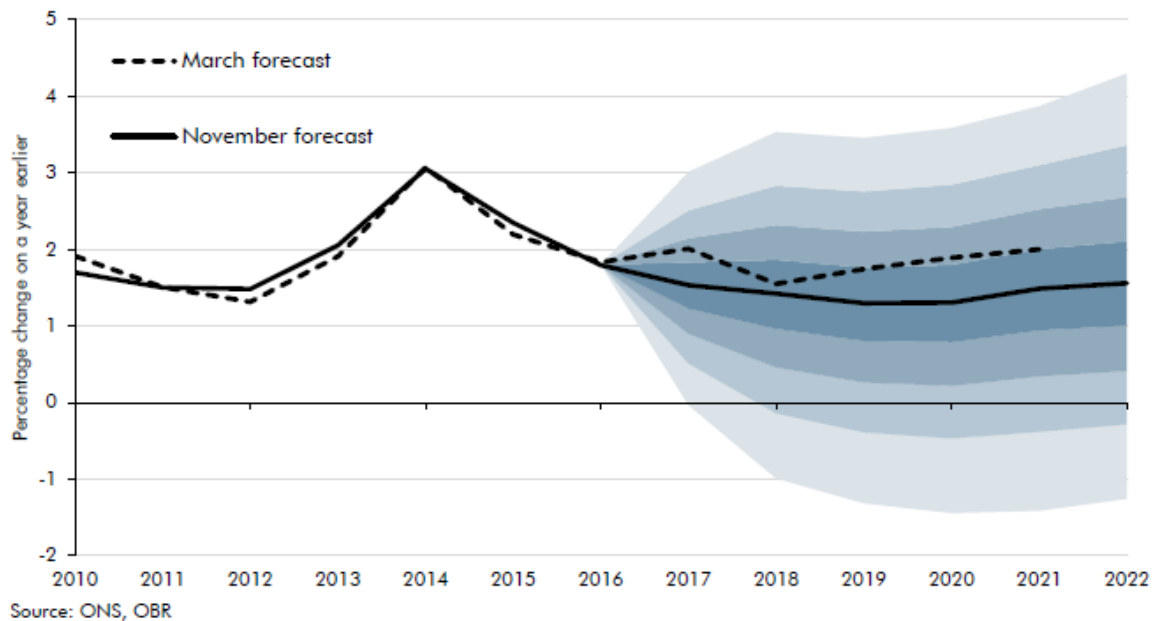
National policy framework

Economic factors

2017 has seen a number of developments in the UK, EU, US and beyond that have a major impact on economic forecasts. These include Brexit and the results of the US Presidential election, UK General Election and the risk of a change of government. These have caused volatility in currency, bond and stock markets around the world and make forecasting fraught with difficulty. In particular, the decline in the £ sterling against the US Dollar has contributed to a higher rate of inflation. Economic forecasters are considering various factors which, whilst not directly impacting on the delivery of public services in general and those of second tier authorities in particular, will give rise to uncertainty in their minds and thus in their published prognoses. Areas causing concern include:

- The pace of Brexit negotiations
- The eventual timing of the UK leaving the EU
- The pace of GDP growth
- Recovery of sterling against major currencies
- Changes to net migration figures and their impact on the economy
- Overall unemployment

The Office of Budget Responsibility (OBR) forecasts a reduction in Gross Domestic Product (GDP) growth but continuing low unemployment until the National Living Wage prices some workers out of employment. The key contributor in the downward GDP forecast is the reduction in productivity which depresses growth in GDP and in the major tax bases. The real (GDP) fan chart below illustrates the level of future uncertainty.



Forecasts confirm that the government is unlikely to achieve a balanced budget in the current parliament. Originally a budget surplus was projected for 2020/21 but the Office for Budget Responsibility (OBR) now consider that a surplus may not be achieved until 2025/26 – which is outside their normal forecasting range.

Public sector net borrowing has fallen more quickly than anticipated:

“ ... the public finances have performed better than expected. The Office for National Statistics has revised borrowing in 2016-17 sharply lower, relative to its initial estimate and our March forecast.”²

Faced with a weaker outlook for the economy and the public finances, and growing pressures on public services following years of cuts, the government has chosen to deliver a significant near-term fiscal giveaway. Consistent with the pattern of many past fiscal events, the policy easing is then scaled back in future years, with a small fiscal tightening ultimately

² OBR “Economic and fiscal outlook – November 2017”

pencilled in for 2022-23 in the form of further cuts in public services spending as a share of GDP.

Bank of England forecasts from the November 2017 inflation report are as follows:

Forecast % at December	2017	2018	2019	2020
Gross Domestic Product (GDP)	1.4	1.7	1.7	1.7
Consumer Index (CPI)	3.0	2.4	2.2	2.1
Unemployment rate	4.2	4.2	4.2	4.3
Bank base rate	0.4	0.7	0.9	1.0

These inflation forecasts show an over-provision of inflation in the MTFS of approximately 0.2% in 2018/19 (~£40k) increasing marginally over time. No adjustment to budgets is proposed, as these amounts are minor in relation to overall expenditure.

Interest rates

Interest rates are set by the Bank's Monetary Policy Committee which increased the bank base rate to 0.25% on 1 November 2017 and reported:

"Inflation is above our 2% target, because of the sharp fall in the pound triggered by the EU referendum. We have to balance how quickly we take inflation back to the target with the support we give to jobs and activity. With more people in work and growth in the economy steady, there are limits to the extent to which we can accept above-target inflation. People need to be able to rely on low and stable inflation. To make sure of that, we need to keep economic growth around it's new, lower, speed limit.

To ensure a sustainable return of inflation to the target we have raised interest rates from 0.25% to 0.5%. That means taking our foot a little off the accelerator, reducing slightly the amount of support we are providing to the economy. We expect any further rises to happen at a gradual pace and to a limited extent. Interest rates are likely to remain substantially lower than a decade ago."

Latest projections for interest rates from the council's treasury management advisors (Link Asset Services) at November 2017, set out below, show a rise from the current 0.5% to 1.25% by September 2020.

	NOW	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021
Bank Rate	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
3 month LIBID	0.40	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.70	0.90	0.90	1.00	1.20	1.20	1.20
6 month LIBID	0.45	0.50	0.50	0.50	0.60	0.80	0.80	0.80	0.90	1.00	1.00	1.10	1.30	1.30	1.40
12 month LIBID	0.65	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.10	1.30	1.30	1.40	1.50	1.50	1.60
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	2.30
10 yr PWLB	2.10	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70	2.80	2.90	2.90	3.00
25 yr PWLB	2.70	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40	3.40

Interest rates projection at November 2017(Link Asset Services)

2017 Budget Statement

The government published the Budget on 22 November 2017.

In the light of the deteriorating economic context, the government has chosen to borrow to invest in infrastructure and innovation targeted at improving productivity. Government departments will continue to deliver spending plans set at Spending Review 2015. The efficiency review announced at Budget 2016, designed to deliver £3.5bn of savings, was reaffirmed. As a result government department spending control totals are unchanged and are expected to grow with inflation in 2021/22 and 2022/23.

The statement contained some items of relevance to the council, with little or no impact on the council's GF budget in the short-term, but with prospects for a longer term effect :

- 3% rise in business rates with the inflator moving from RPI to the lower CPI. The frequency of business revaluations will increase from quinquennial to triennial.
- The national Living Wage will be increased by 4.4% to £7.83/hour from April 2018 as recommended by the Low Pay Commission. The £9/hour target by 2020 is unlikely to be met
- Reforms to off payroll working rules introduced last year in the public sector will move to the private sector by 2019. Experience has shown that this merely increases staff costs because, in a scarce employment market, the contractor can demand and secure, the same effective net income.
- A reduction in liability to Stamp Duty Land Tax (SDLT) for first time house buyers up to £300,000 subject to a maximum property value of £500,000.

- The Chancellor confirmed that he would move away from the 1% public sector pay cap
- The government has agreed a pilot of 100% business rates retention in London in 2018-19.
- Universal credit wait reduced from 5 to 4 weeks; implementation in Cambridge deferred from June to October 2018
- £1.7 billion for a Transforming Cities Fund to improve local transport connections

Cambridge – Milton Keynes – Oxford corridor

- the Budget sets out an integrated programme of infrastructure, housing, business investment and development for the corridor between Oxford and Cambridge.
- The government aims to build 1 million new homes in the area by 2050 to maximise its economic potential, starting with a housing deal with Oxfordshire for 100,000 homes by 2030 and working with Central and Eastern sections on commitments in 2018.
- By 2024 the western section of East West Rail will be complete, allowing services between Oxford and Bedford, and Aylesbury and Milton Keynes. A new East West Rail Company is being established to accelerate delivery of the central section between Bedford and Cambridge, aiming for completion by the mid-2020s.
- Working in partnership with local stakeholders, the government is committing £5 million to develop proposals for Cambridge South station, and is starting a study on the enhancements needed to accommodate future rail growth across Cambridgeshire.
- Construction will begin on key elements of the Expressway between Cambridge and Oxford in the second Roads Investment Strategy. The government will accelerate work on the 'missing link' elements of the Expressway so that it is ready to open by 2030.

Planning

In an effort to re-energise the housing market the Chancellor made several announcements:

- Consultation to ensure that allocated land should be taken out of a plan if there is no prospect of a planning application being made
- Intervention where there is a failure to progress Local Plans
- First-time buyer led developments will be granted permission on land outside their plan where a high proportion are offered for discounted sale for first-time buyers, or for affordable rent

- Increasing housing density in urban areas, including conversion of retail and employment land to housing
- Expecting local authorities to bring forward 20% of their housing supply as small sites
- A consultation into the setting and indexation of Community Infrastructure Levy (CIL)

This was the government's first Autumn Budget, the next statement being an early 2018 forecast from the OBR followed by a Spring Statement.

Section 3

Public budget consultation

Context and approach

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

This year the council chose to focus its budget consultations on finding out what a representative sample of local people think about approaches to finding savings that the council is either currently following or considering. As a part of this participants were also invited to offer any other additional saving ideas that the council could investigate. This approach was followed this year because it was felt, based on previous experience, wider residents' views about services or the council were unlikely to have changed since 2016, when a broader residents' survey was carried out.

The budget consultation was undertaken by an independent market research company during September 2017, with 445 randomly selected households participating. In addition two workshops were held with people from low income households to get their perspective. Local businesses were also invited to participate in the consultation and 74 returned completed questionnaires.

Key consultation findings

Headline results

The headline findings from budget consultation 2017 were:

- Just under two thirds (59%) of residents were aware of the council's need to find savings. Awareness rose to three quarters (75%) for local businesses.
- Residents offered their highest level of support to the council working with other nearby local councils to deliver "shared services" (83%) and for the Council to put more services online and to improve IT (80%).

- Residents were less keen on the council reducing its capital spending on physical assets (11%) and maintaining services but doing some things less frequently or offering less (32%).
- Local businesses on the other hand offered their highest level of support to the council putting more services online and to improve IT (87%) and for the council to look at alternative ways of delivering services, such as local trusts or other not for profit partnerships.
- Local business were also less keen on the council reducing its capital spending on physical assets (17%) and maintaining services but doing some things less frequently or offering less (22%).

Residents participating in the low income workshop said that they highly valued the council's community, housing and leisure services. They felt strongly that the council should continue to put more services online and encourage local people to "self-serve" but said that certain groups of people, such as the elderly, should be offered support or other provision to allow them to fully engage with the council. They were also happy for the council to continue to "share services" with other local authorities but didn't want this to be at the expense of more limited accountability to residents and access decision-makers.

You can find the full budget consultation 2017 here:

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

By comparison, the headline findings from the Residents' Survey 2016 were:

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

Next steps

The council will continue to work hard to deliver good quality services, against a background of financial challenges. The council will take time to consider all of the detail from the budget consultation 2017 and will look closely at what people have said so that we can continue to improve the way we work.

Section 4

General Fund resources

Local government finance settlement 2018/19

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 2020/21.

The provisional finance settlement was published on 19 December 2017 with the final settlement expected in January or February 2018. The provisional settlement provides funding figures for 2018/19 and indicative figures for the following year. However, certain elements are subject to the funding guarantee described above.

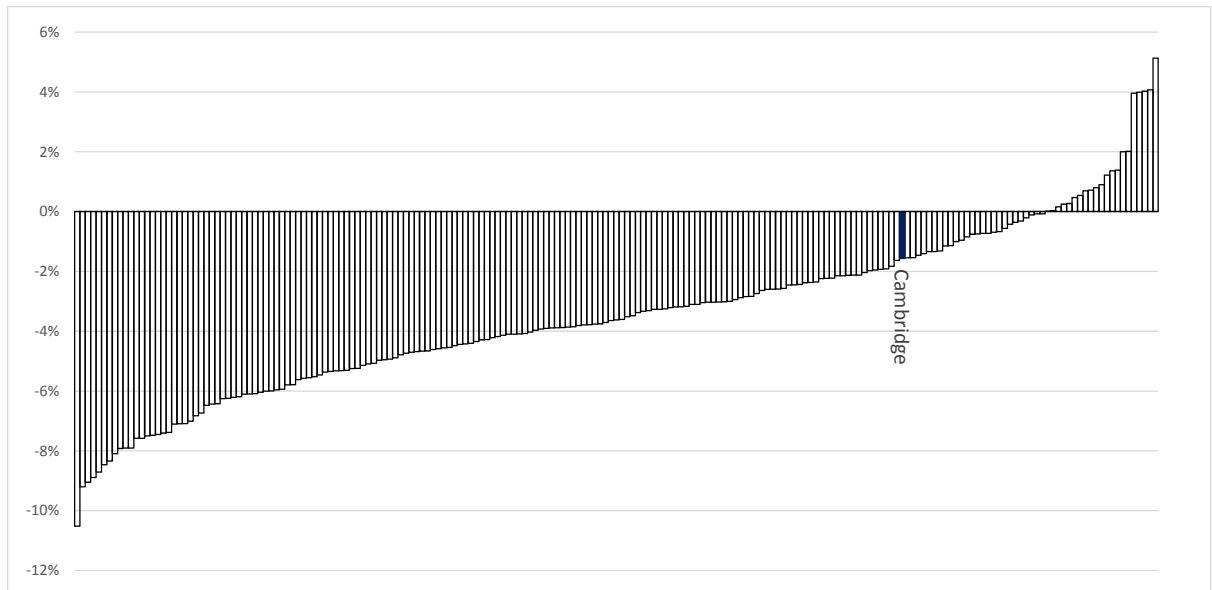
Uncertainty remains for 2020/21 and beyond as government continues to develop the 100% business rates retention scheme, although there are now indications that retention may not progress beyond 75%. This work includes identifying further responsibilities to devolve to councils to match higher levels of business rates retention and a review of needs and distribution, now known as the Fair Funding Review. The government has confirmed expectations that the Fair Funding Review will be finished in time for implementation in April 2020.

Core spending power

Element of core spending power (£000)	2017/18	2018/19 Provisional	Change	2019/20
Settlement Funding Assessment (SFA):				
- Revenue Support Grant (RSG)	1,104	571	(48.3%)	0
- Business rates baseline	3,989	4,109	3.0%	4,176
- Business rate tariff adjustment	-	-	-	-
	5,093	4,680	(8.1%)	4,176
Compensation for underindexation of business rate multiplier	52	86	65.4%	129
New Homes Bonus (NHB) grant ¹ including returned funding	5,973	5,596	(6.3%)	5,187
Council tax income ¹	7,839	8,298	5.9%	8,783
Core spending power	18,957	18,660	(1.6%)	18,275

¹ – Figures based on government projections

Lower Tier Authorities: Change in core spending power 2018/19



The core spending power measure, based on illustrative amounts for NHB, shows a decline of 3.7% over the four years of the spending review period.

There are no material changes in the SFA from that included in MTFS 2017, as this funding has been guaranteed following the government's acceptance of the council's efficiency plan.

Future prospects

Projections assume that the level of Settlement Funding Assessment (SFA) for 2019/20 will be as indicated in the 2018/19 settlement. There is considerable uncertainty relating to the SFA for 2020/21, 2021/22 and 2022/23, as this is beyond the current parliamentary term and after the possible implementation of 100% business rates retention. Indeed, it is now thought that the local share of business rates will only increase to 75% rather than 100% and that the tier split may also be changed. The outcome of the Fair Funding Review and a probable baseline reset create further uncertainty. All these changes represent a total rebasing of the business rate funding system for local government, therefore in the absence of better information, the overall SFA has 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	3,989	4,109	4,259	4,387	4,518
Business rate tariff adjustment / negative RSG	-	-	(24)	(152)	(283)
Total SFA - per 2018/19 finance settlement	5,093	4,680	4,235	4,235	4,235

The final settlement will provide confirmed amounts for the SFA for 2018/19 and 2019/20. However NHB and therefore core spending power is not guaranteed by the multiyear settlement.

Local retention of business rates

The SFA approach enables local authorities to benefit directly from supporting local business growth. The assessment includes a baseline level of business rates receivable (indexed linked from an initial assessment in 2013/14) with the level of rates receivable above that being taken by government as a 'tariff' – which will be used to 'top up' local authorities who would receive less than their funding level. Government intends that this will be fixed until 2020.

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

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

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

Forecasting the effects and timing of new development and redevelopment on the city's tax base remains difficult. Significant development is continuing, for example on the Cambridge Biomedical campus and in the station area. The council expects some growth in 2018/19 as Astra Zeneca start to occupy their new research and head office buildings, Royal Papworth Hospital opens and Cambridge Assessment occupy their new office at The Triangle. However, the timing and speed of these major projects remains subject to change.

There are also significant uncertainties around the operation of the business rates retention scheme in the next few years.

The DCLG began working with local authorities and other interested parties in 2016 on changes to the local government finance system to pave the way for the implementation of 100% business rate retention. Progress on the design of any future scheme was halted by the General Election and it became clear that there was unlikely to be the capacity for government to consider the primary legislation required for 100% retention. However, as part of the settlement announcement in December the DCLG gave some indication about the future shape of Business Rates Retention.

The Secretary of State has announced that the local share in the Business Rates Retention Scheme (BRRS) will increase from 50% to 75% in 2020/21.

The review is likely to rebalance the distribution of business rates away from district councils towards those authorities with social care responsibilities, for example by changing the tariff and top up payments, or the relative shares of income between the tiers of local government. The government has also indicated that the increase in the retention percentage will mean the transfer of additional responsibilities to local government.

It remains difficult to forecast the appeals position accurately. There was a business rates revaluation at 1 April 2017. Alongside this there was a move to a process of 'Check, Challenge, Appeal' in respect of valuations. Nationally there has been very little activity in respect of businesses appealing their rateable values and this makes the appeals position for the 2017 list particularly challenging.

There are also uncertainties in respect of residual 2010 list appeals, with appeals settled elsewhere in the country having knock-on effects nationally. NHS Foundation Trusts, including those in the city, are also pursuing a claim for award of mandatory charitable relief, backdated a number of years.

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

New Homes Bonus

The allocation of NHB for 2018/19 was announced by the DCLG in December 2017 and forms the basis for BSR 2018/19. An illustrative amount for 2019/20 was provided within the provisional finance settlement, see above.

The provisional settlement confirms that the length of time that the bonus is paid for will reduce from five to four years as expected. The threshold over which the bonus is paid will remain at 0.4% for 2018/19, allaying some concerns that the government would use this mechanism to reduce payments further.

The government has also decided not to go ahead with changes consulted on which would have meant the bonus being withheld for homes that have been approved on appeal.

The table below includes estimates of future NHB payments based on expected housing completions, four years of payment for bonus awarded in 2018/19 and thereafter and 0.4%

deadweight threshold. Any changes in these factors could materially impact these estimates.

NHB is currently used to fund both revenue and capital spending related principally to growth and place. Currently 40% of NHB is set aside as a contribution to the Greater Cambridge Partnership (GCP) 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 GCP Investment and Delivery Fund. It can be seen that from 2020/21 onwards, it is no longer possible to set aside 40% to the GCP Fund without creating an unacceptable deficit in this funding stream. The allocation of this funding stream for 2020/21 and beyond will be addressed in MTFS 2018.

Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Confirmed NHB funding at February 2017 BSR	(5,962)	(4,108)	(2,522)	(1,161)	-	
<i>Add</i>						
Confirmed NHB receipts for 2018/19		(1,487)	(1,487)	(1,487)	(1,487)	-
Estimated NHB receipts for 2019/20			(440)	(440)	(440)	(440)
Estimated NHB receipts for 2020/21				(816)	(816)	(816)
Estimated NHB receipts for 2021/22					(1,150)	(1,150)
Estimated NHB receipts for 2022/23						(1,197)
Potential New Homes Bonus Total	(5,962)	(5,595)	(4,449)	(3,905)	(3,894)	(3,604)
Commitments against NHB						
Funding for officers supporting growth e.g. within planning	785	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	564
Public Realm Officer - Growth X3782	35	35	-	-	-	-
Direct revenue funding of capital	1,075	1,075	1,075	1,075	1,075	1,075
Contribution to Greater Cambridge Partnership (formerly City Deal) Investment and Delivery Fund	2,385	2,238	1,780	1,562	1,558	1,442
Further approvals						
A14 mitigation contribution funded from reserved amounts			(1,500)			
Spend from A14 mitigation Fund			1,500			
Contribution to GCP Investment and Delivery Fund	400					
Total commitments against NHB	5,244	4,697	4,204	3,986	3,982	3,866
NHB reserved for A14 mitigation	718	782	-	-	-	-
Cumulative amounts reserved for A14 mitigation	(718)	(1,500)	-	-	-	-
NHB (uncommitted) / overcommitted	-	(116)	(245)	81	88	262

The above summary shows significant levels of reduction in expected NHB receipts in future years, demonstrating the importance of keeping this funding distinct from the core funding required to support ongoing services.

Earmarked and specific funds

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

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

Existing funds

Sharing prosperity fund

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

1. Helping people on low incomes to maximise their income and minimise their costs
2. Increasing community pride, raising skills and aspirations, and improving access to higher value employment opportunities for people on low incomes
3. Improving health outcomes for people on low incomes
4. Helping people with high housing costs, increasing numbers of affordable homes, and improving the condition of people's homes
5. Supporting groups of people that are more likely to experience poverty and social isolation, including children and young people, older people, women, people with disabilities, and BAME residents

To date a total of £1,334,760 has been allocated to the SPF. A total of £1,329,930 has been allocated to date to 25 projects for delivery between 2014/15 and 2018/19. Some of the projects supported by the fund to date have included:

- Living Wage campaign officer and associated promotional budget

- Work to promote financial inclusion, including appointing a Financial Inclusion officer, promoting affordable finance options including credit unions, and money management projects in schools
- A programme of apprenticeships in council services
- Outreach advice work for people with mental health issues associated with low income and debt
- Work to address fuel and water poverty, including promotion of water meters, energy efficiency measures and Cambridgeshire County Council's collective energy switching scheme
- Free swimming lessons for children from low income families
- Promotion of healthy eating through cookery skills workshops for low income families
- An exercise referral scheme to support residents in low incomes areas with medical conditions to take physical exercise
- A programme of free holiday lunches at community centres and other venues
- Promoting 'Time Credits' to support volunteering in local communities
- A programme of arts and cultural activity to develop self-awareness, resilience and leadership skills amongst young people from low income families
- Provision of training and other support to promote digital skills and access

An additional £100,000 was allocated to the SPF through MTFs 2017. It is proposed that a further £200,000 be allocated to the fund for 2018/19 through the BSR in February 2018.

This additional funding will support a number of new and ongoing anti-poverty projects, which are likely to include:

1. Providing a skilled outreach advisor based at JobCentre Plus to support households impacted by the roll-out of Universal Credit in Cambridge
2. Continuing to fund an outreach advisor in health centres to provide financial and debt advice for residents experiencing mental health issues
3. Continuing to provide staff resources and a promotional budget to encourage Cambridge employers to pay their staff the Real Living Wage and engage in wider projects to address poverty
4. Continued funding of the Fuel and Water Poverty Officer post
5. Continuing work to promote digital access for low income residents, including work with older people, a social housing project and a 'Microhub' offering digital access at a range of venues across the city

Climate change fund

The council's five key objectives in relation to climate change are set out in its Climate Change Strategy for 2016-2021. The first of these objectives is 'reducing emissions from the City Council estate and operations'.

To ensure a strategic approach to this objective, the council has produced two Carbon Management Plans for 2011/12 - 2015/2016 and 2016/17 - 2020/21. We delivered 47 carbon reduction projects during the period of the first plan, and 5 projects were delivered during the first year of the current plan (2016/17), with 11 more scheduled for completion during 2017/18.

In 2008 the Council established a dedicated Climate Change Fund (CCF) to finance projects that will contribute to the reduction of carbon emissions from the Council's estate and operations. The fund supports projects focussing on:

- Energy and fuel efficiency;
- Sustainable transport;
- Waste minimisation; or
- Management of climate change risks.

Activities that can be supported include infrastructure, equipment, feasibility studies and awareness activities to change the behaviour of staff. Project proposals are assessed using a number of key criteria, including:

- Annual reduction in carbon dioxide emissions;
- Cost effectiveness (£ per tonne of CO2 saved);
- Annual financial savings resulting from the project; and
- Payback period on investment.

Between 2008/09 and 2016/17, £984k has been allocated to the Climate Change Fund and 36 projects have been supported by the fund, including some of those set out in the Carbon Management Plans. In addition to this, a range of other sources of funding have been used to support carbon reduction projects. Projects funded to date through the CCF have included:

- A solar thermal system to provide hot water at Abbey Pool, pool covers at Parkside and Abbey Pools, and energy efficiency measures at Parkside Pool changing rooms

- LED lighting at Mandela House, the Corn Exchange, the Crematorium, and Grafton West, Grafton East and Grand Arcade car parks
- Voltage optimisation technology at the Guildhall, Mandela House and Grafton East car park
- Upgrading boilers and installing heating controls at a number of community centres, leisure centres and administrative buildings.

It is proposed that an additional £250,000 be allocated to the CCF in the Budget Setting Report to support projects identified in the Carbon Management Plan for 2018/19 and beyond. Subject to the outcome of feasibility studies to be carried out during the remainder of 2017/18, potential projects could include:

- a solar PV or solar thermal installation at Parkside Pools;
- a biomass boiler at Kings Hedges Learner Pool; and
- heating and lighting improvements at the Corn Exchange.

The feasibility studies for these projects will identify more accurate estimates of financial savings, but we would expect any projects that are taken forward to have a payback period of between 5 and 10 years, which would mean that potential financial savings from these projects are likely to be between £25k and £50k per annum.

Greater Cambridge Partnership (GCP) (formerly City Deal) investment and delivery fund

The council has committed to pooling a proportion of gross NHB receipts with its local authority partners to provide funding to enable delivery of GCP objectives which will support and address the impacts of growth. The governance of the fund will be aligned with the governance of the GCP.

Invest for income fund

This fund was set up at BSR 2015 with contributions of £8m over three years. The purpose of the fund is to invest to create income streams to support service delivery in future years. Since inception, work has been undertaken to identify, investigate and evaluate a number of investment proposals. The Invest for income fund could be used to fund schemes where there is a high likelihood of achieving returns of 5% or more and is in addition to the £28m released for investment in commercial property.

Asset replacement funds

These are maintained to fund the periodic replacement of assets. Annual contributions are based on estimated replacement costs, spread over the anticipated life of the assets; these funds are kept for vehicles only.

Office accommodation strategy fund

This fund was set up at BSR 2016 to fund the ongoing programme of office / depot rationalisation. The office accommodation strategy works towards consolidating the council's city centre office accommodation at the Guildhall and developing longer term options for building rationalisation. The depot will be released by relocating operational services to new depot facilities elsewhere in Cambridge and to Waterbeach Shared Waste and Garage sites. A significant amount of cultural change in how and where staff work will be required. This will include smart working, changes in how teams are managed, reductions in space per desk and desk to staff ratios. These will need to be underpinned by investment in smart working technology and further roll out of data and records management regimes.

A14 mitigation fund

As referred to in the NHB section above, a temporary earmarked fund has been set up to accumulate NHB contributions to meet the requirement for funding of projects to mitigate the impacts in Cambridge of the A14 upgrade.

Proposed new fund

General Fund (GF) development fund

The council will provide loans to Cambridge Investment Partnership (CIP), of which it is a member, to support the development of the former council depot on Mill Road. The proposals and resulting interest income are covered in more detail in Section 5. It is proposed to retain income from this and other CIP developments in an earmarked reserve reflecting uncertainty in both timings and quantum, and to provide a contingency fund reflecting the potential risks in this scheme and future schemes under development. The remit of the GF development fund is as follows:-

GF development fund – remit

The primary purpose of the GF development fund is to provide contingency funding to support the GF development programme. It is recognised that the council is and will be undertaking a number of key schemes that present additional risks. Whilst seeking to

mitigate these risks in a number of ways, including working with partners experienced in this regard, this fund will provide some additional funding to meet unexpected costs during development.

The balance on the fund will be kept under review through the programme, to ensure that it remains proportionate to risk. Where balances can be released they will be used for GF investment in commercial or residential property or for enabling works. Allocations from this fund will be made in accordance with the council's budget framework.

Tax base and council tax

Tax base

The tax base is one element in determining both the level of council tax to be set and the amount it is estimated will be collected. This calculation is governed by regulation and the formal setting of the tax base is delegated to the Head of Finance to enable notification to be made to the major precepting authorities during January each year.

The tax base reflects the number of domestic properties in the city expressed as an equivalent number of band D properties, calculated using the relative weightings for each property band. The calculation of the tax base takes account of various discounts (for example a 25% discount for single adult households) exemptions and reliefs. Allowances are also made for the projected growth in the number of dwellings as well as including a deduction assumed for non-collection.

The tax base for 2018/19 has been calculated as 42,988.6 (2017/18 was 41,977.2) and details of its calculation are given in Appendix A(a) and will form the basis of the final approved level for tax setting and precepting purposes. This reflects a 2.4% increase in the tax base compared with 2017/18.

Collection fund

Operation of the fund

The collection fund is a statutory fund, maintained by billing authorities such as the City council, into which income from council tax and business rates is recorded and out of which respective amounts set for the year, are paid to the City council and precepting bodies.

Forecast position at 31 March 2018

The collection fund for council tax is projected to have a deficit at the end of the current year of £138,237. The City council's share of this projected year end deficit is £15,830 and this will need to be taken into account in setting the council's budget for 2018/19. The position for business rates was described earlier in this section.

Council tax thresholds

Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase council tax above the relevant limit set by the Secretary of State.

In recent years this threshold has been set at 2% for a Band D property, with some shire districts, including the City council, permitted to increase their element of council tax by up to £5, where this is higher than 2%. The government has confirmed a limit of 3% or £5, if higher, for all shire district councils for 2018/19. The budget proposal in these papers is to raise council tax by £5 for a Band D property, consistent with the increase applied in 2017/18. The 3% or £5 increase may be available in future years, but this has not been confirmed. Therefore, for future years, increases of 2% have been retained in projections of council tax income.

The overall effect of the referendum requirements is such that a local authority would need to have reasonable expectation of public support for a level of council tax increase deemed to be excessive compared to the threshold, if acting in a prudent manner.

Council tax level

Financial projections of the council tax level made for the October 2017 MTFs included the assumption of an increase of 2% for 2018/19 and 2% per annum thereafter.

In light of the position with regard to the council tax threshold, as described above, the BSR incorporates a council tax increase in 2018/19 of £5 to £191.75 for band D and proportionately for other bands.

Section 52Z of the Local Government Finance Act 1992 requires the authority to consider whether the relevant basic amount of council tax for the financial year in question is excessive, based on the principles determined by the Secretary of State. As noted above, the threshold set for 2018/19 is that an increase is excessive where it is more than 3% or £5 on the band D charge whichever is higher. Therefore the City council's proposed increase would not be deemed excessive.

The table below shows the City council element of council tax for 2017/18 for each property band together with the proposed levels for 2018/19:

Band	City Council tax		Difference £
	2017/18 £	2018/19 £	
A	124.50	127.83	3.33
B	145.25	149.14	3.89
C	166.00	170.44	4.44
D	186.75	191.75	5.00
E	228.25	234.36	6.11
F	269.75	276.97	7.22
G	311.25	319.58	8.33
H	373.50	383.50	10.00

Section 5

General Fund revenue budgets

Revised budget 2017/18

GF revenue budgets for the current year (2017/18) were reviewed as part of the MTFs. It should be noted that the revised budget includes carry forward approvals from 2016/17. No adjustment of 2017/18 revenue budgets is proposed, as budgets are monitored monthly through the review of variances and forecast outturns, and management actions taken to ensure that spending is controlled and income optimised.

Budget proposals

The GF revenue projections for 2018/19 to 2022/23 as presented in the MTFs have been reviewed and changes proposed. Proposals have arisen from policy initiatives, additional income opportunities balanced by additional staffing costs where appropriate, ongoing service transformations, unavoidable increases in costs and savings opportunities. The impact of these proposals is shown below, with the detailed proposals set out in Appendices C (a) and C (b).

Performance against savings target

Savings Targets	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
MTFS 2017 Current Savings Target (new savings each year)	-	245	245	245	245
Previous year savings not achieved / (over achieved)	-	-	-	-	-
Revised savings target	-	245	245	245	245
Unavoidable revenue pressures	437	321	328	341	341
Reduced income	50	50	50	50	50
Bids	1,605	805	456	399	399
Savings	(617)	(753)	(753)	(753)	(753)
Increased income	(1,082)	(1,022)	(652)	(622)	(622)

Savings Targets	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Programme	250	100	-	-	-
Revised savings target / savings still to be found	643	(897)	173	231	245
Adjustment to savings to attain target level of reserves at the end of 5 years and smooth savings over the final 4 year period	(643)	982	(88)	(146)	(160)
Savings still to be found	0	85	85	85	85

This shows that the savings target for 2018/19 should be achieved in year. For the purposes of this table, it has been assumed that where there are savings still to be found they will be achieved in the year, and will not therefore roll forward to later years. It should be noted that the council has embarked on a long term programme of savings and income generation, which will require an ongoing focus on delivery. Work is already in progress to identify more projects to contribute to savings requirements going forward.

The table shows that the overall effect of the measures recommended in the BSR has:

- Resulted in a total level of net savings of £340k across the period from 2018/19 to 2022/23.
- Resulted in a net savings requirement of £85k per annum for the next 4 years

Review of significant proposals

Pressures:

Modernisation of ICT applications and infrastructure ³

It is proposed that bids proposals are incorporated for:

- Digital team staffing (revenue up to £143k pa)
- CCTV cameras and wireless links (capital £601k)
- The rollout of "Council Anywhere" to facilitate flexible working (capital £496k)
- "My Cambridge City" online portal (capital £236k)
- Shared Waste Services ICT management system (capital £453k)

³ See Section 7 – Capital for further details

Contribution to the Climate Change Fund

An additional allocation of £250k is proposed to support carbon reduction projects to be delivered in 2018/19, see Section 4 for more details.

Contribution to the Sharing Prosperity Fund

An additional allocation of £200k is proposed to support the delivery of projects which will support residents on low incomes and meet needs identified in the Anti-Poverty Strategy, see Section 4 for more details.

Business Transformation funding

Additional funding of £350k over two years is requested for the business transformation programme. The council has previously allocated significant funding for a complex council wide programme of transformational change, including shared services. This additional funding will enable further projects to be delivered over the next two years, providing additional change resources and other staffing costs associated with the programme.

Cambridge Northern Fringe East (CNFE) funding

Revenue funding of £799k over two years is requested to support development in Cambridge Northern Fringe East (CNFE). CNFE is the last major undeveloped brownfield site in Cambridge with potential for a new innovation quarter with a live, work and learn philosophy within an area of high connectivity. It forms the Combined Authority's priority bid for the Housing Infrastructure Fund for Capital Funding to relocate the Anglian Water Waste Treatment works as part of a major infrastructure project for housing delivery. There is a need for revenue funding to develop the bid business case and to initiate development of an Area Action Plan in 2018/19 in advance of the bid outcome in order to meet funding delivery timescales. The upfront revenue project costs in 2018/19 are estimated at £475k with £324k in 2019/20.

Business Transformation Programme

The council is currently 3 years into delivering a programme of transformational change, further contributions totalling £350k (£250k 2018/19; £100k 2019/20) are sought to facilitate delivery.

Unavoidable revenue pressures

A pressure of £150k pa for five years has arisen from the statutory provision of a joint Local Plan with South Cambridgeshire District Council who will contribute a similar sum. National planning policy places Local Plans at the heart of the planning system, so it is essential that they are in place and kept up to date. A Written Ministerial Statement published 16 November 2017 says that DCLG are intervening where 15 Local Planning Authorities have not made progress on their Local Plan and that more interventions will follow. The Cambridge Local Plan 2015 has yet to be agreed.

Savings and additional income:

Interest income on loans to Cambridge Investment Partnership (CIP)

The council will provide an equity loan to CIP to support the development of affordable and market housing on the former council depot site on Mill Road. This loan will be matched by the council's partner and both organisations will earn 5% p.a. on these loans. The value of the loan will vary depending on the cash flows of the scheme, but is expected to peak at £5.7m. Interest income of £260k over four years in excess of expected cash investment returns are estimated, but will be dependent on the actual timing and duration of the development.

The scheme will require additional development funding expected to rise to £10.7m at peak requirement. The council may choose to provide this secured loan in the place of a financial institution. Additional interest income, based on an interest rate of 7% p.a., has been estimated to provide £569k over three years from 2019/20. The actual rate of interest will be determined at the point of time that funding is required by the scheme and with reference to market rates. Therefore timing and duration will determine actual interest receivable.

It is proposed to retain this income in an earmarked reserve (see Section 4 of this report), reflecting the uncertainty in both timings and quantum, and to provide a contingency fund reflecting the potential risks in this scheme and future schemes under development.

Additional commercial property income and associated capacity to deliver

Increased rental income from commercial property, £270k in 2018/19 rising to £350k p.a. in 2019/20 and future years has been identified. This will mainly arise from the recent acquisition of commercial property in addition to ongoing rent reviews, lease renewals and lettings on existing properties

Car park income

Park Street car park is not being developed in the short term and thus previous years' adjustments for reduced income are being reversed until such time as a formal development bid is in place (£560k 2018/19, £400k 2019/20, £30k 2020/21). It is likely that holding repairs will be needed until the car park is redeveloped. A capital bid will be made next year when more information is known.

Pension contributions

The council has consolidated lump sum deficit recovery payments due in the three year period into one payment in 2017/18. This has reduced the total amount payable and provides a better return on cash than is currently available through the approved investment strategy. The GF element of the saving is £87k in 2018/19 and £170k thereafter.

Non cash limit items:

In general, non-cash limit items do not impact on savings requirements, they are use of or contributions to reserves. As such, they are only used for one off items, principally of a transformational or policy nature.

Funding variances

Differences in funding allocations and outturns from previous estimates are actioned as non-cash limit items, for example, differences on the local government finance settlement such as the changes in NHB noted above, changes arising from re estimation of the council tax base and the council's share of the council tax collection fund deficit. Detailed proposals are shown in Appendix C (c).

Section 6

General Fund: Expenditure and funding 2016/17 to 2021/22

Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Expenditure						
Net service budgets	21,894	19,325	18,891	20,866	21,549	21,290
Revenue Budget Proposals - BSR	0	643	(499)	(571)	(585)	(585)
Capital accounting adjustments	(6,155)	(6,155)	(6,155)	(6,155)	(6,155)	(6,155)
Capital expenditure financed from revenue	4,279	1,458	1,786	1,786	1,786	1,786
Contributions to earmarked funds	5,868	4,470	3,425	2,747	2,617	2,408
Revised net savings requirement	0	0	(85)	(85)	(85)	(85)
Net spending requirement	25,886	19,741	17,363	18,588	19,127	18,659
Funded by:						
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)	(5,595)	(4,449)	(3,905)	(3,894)	(3,604)
Appropriations from earmarked funds	0	0	0	0	0	0
Council Tax	(7,807)	(8,227)	(8,483)	(8,767)	(9,094)	(9,132)
Contributions to / (from) reserves	(6,224)	(430)	609	(876)	(1,099)	(883)
Total funding	(25,886)	(19,741)	(17,363)	(18,588)	(19,127)	(18,659)

Section 7

Capital

Introduction

The council's asset portfolio as at 1 April 2017 is shown below.

Category	Value £000	%
Operational assets:		
Council dwellings	579,588	62.7%
Other land and buildings	138,365	15.0%
Vehicles, plant and equipment	8,223	0.9%
Infrastructure assets	3,848	0.4%
Community assets	1,195	0.1%
Total operational assets	731,219	79.1%
Non-operational assets		
Investment properties	153,706	16.6%
Surplus properties	9,261	1.0%
Assets under construction	30,554	3.3%
Total non-operational assets	193,521	20.9%
Overall total	924,740	100.0%

The portfolio includes council housing, assets for direct service provision such as swimming pools, community centres, car parks, vehicles and equipment, as well as substantial areas of common land. In addition to the assets used for service provision, the council has a portfolio of commercial property. Each asset needs to provide an appropriate return on the investment made by the council and also be fit for the purpose for which it is used.

The council has developed long term accommodation strategy to consider the best use of our administrative buildings. This review is linked to work to determine the most appropriate

service delivery models (e.g. shared services) and working practices (e.g. flexible and/or remote working) for the future.

Capital strategy

In line with emerging guidance, the council has prepared a capital strategy, which is presented to the Strategy and Resources Scrutiny Committee and Council alongside its treasury management and investment strategies.

Capital plan

The council's capital plan shows anticipated expenditure for the next 5 years, where relevant, for each programme or scheme.

Capital proposals

The majority of capital bids address the ongoing renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (vehicles, building repairs, etc). All capital proposals are shown in detail in Appendix E (a) and the funding requirements in Appendix E (b). Approvals since the MTFS Oct 2017 are shown in Appendix E (c).

Significant Capital Bids

Vehicle replacements (waste and estates)

The number of vehicles required has been reviewed and replacements delayed where vehicles remain in good condition, The estates fleet will be reduced by seven vehicles. Most vehicles are diesel; for larger vehicles such as waste trucks, the electric alternatives are very new to the market and as such relatively unproven and very much more expensive than the diesel versions. This bid is for £1.1m and is funded from the Asset Replacement Reserve.

ICT bids (total £1,786k)

Council Anywhere – desktop transformation

This bid (£496k) is for investment in a Desktop Transformation programme to provide a platform fitting the ICT Strategy, to support the work of the council and provision of its

services, improving efficiency and support. This solution will standardise desktop hardware, MS Office software and the network environment needed to control and secure the desktop infrastructure. The bid includes costs for hardware, software, licences and the professional costs to reconfigure the underlying network.

Closed Circuit Television (CCTV) equipment

The replacement of 103 obsolete CCTV cameras with new Digital IP High Definition cameras together with the obsolete digital CCTV recording platform (£601k). The bid includes funding to upgrade the CCTV radio network so that it is resilient and uses an OFCOM licenced frequency to prevent interference and ensure stable usage in line with operational requirements.

Street and Open Spaces (S&OS) and Shared Waste Service - ICT management system

This bid (£453k) represents investment in a single, integrated ICT operational management system, including mobile working technologies. Currently S&OS has no digital operational management system in place, whilst the Shared Waste Service is working with different legacy systems originating in the two partner councils. One system will enable increased efficiency of the Shared Waste Service.

'My Cambridge City' Account - Online Customer Portal

This bid (£236k) will support the implementation of a 'single Customer Account' portal, enabling Cambridge's citizens to access a range of services from a single online portal. The resultant channel shift and related savings are expected to make the portal self financing in the longer term.

Redevelopment of Silver Street toilets

These toilets were originally constructed in 1985 and have received no modernisation. The condition of the toilets is aesthetically poor with the underground facilities reported wet under foot during heavy rainfall. Tourism to the city has seen a large rise in numbers which has also placed considerable demand on the current provision situated at an important historical destination on the Backs. The current proposal (2018/19 £283k 2019/20 £283k) is an opportunity to bring the toilets up to current standards befitting the city, with an emphasis on preserving the integrity and character of its location.

Mill Road redevelopment – capital contribution and loans

A capital contribution of £5,760k is proposed to support the redevelopment of the council's Mill Road depot, principally for affordable and market housing. This development will be delivered by CIP providing the council with a capital receipt for the land and a projected surplus on the scheme.

Capital proposals are also presented for the provision of equity and secured development loans to the CIP to fund the development phase of the scheme.

The council will provide an equity loan to CIP, matched by the council's partner, and both organisations will earn 5% p.a. on these loans. The value of the loan will vary depending on the cash flows of the scheme, but is expected to peak at £5.7m.

The scheme will require additional development funding expected to rise to £10.7m at peak requirement. The council may choose to provide this loan in the place of a financial institution. The rate of interest will be determined at the point in time that funding is required by the scheme and with reference to market rates.

Financing

Capital schemes are funded from a variety of internal and external funding sources. The use of certain funding types is restricted, for example developer and other contributions, grants, and earmarked and specific funds.

Internal:

- Earmarked and specific funds (e.g. Asset Replacement Reserve)
- Capital receipts
- NHB
- Revenue resources
- Internal borrowing

External:

- Developer and other contributions
- Grants, National Lottery etc.
- Prudential borrowing

The following table shows the latest funding position, updated since MTF5 Oct 2017:

Capital funding Available	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Funding available and unapplied (MTFS Oct 2017)	-	(1,042)	(1,761)	(1,761)	(1,786)	(1,786)
Additional funding (Warkworth Lodge capital receipt)	(251)	(1,273)	(76)	-	-	-
Urgent approval since MTFS Oct 2017 (Park Street equipment)	145	-	-	-	-	-
Schemes removed from capital plan (see above) and rephased into 2018/19	-	-	-	-	-	-
Capital bids requiring funding (Appendix E(b))	106	2,315	455	-	-	-
Net Funding Available	-	-	(1,382)	(1,761)	(1,786)	(1,786)

The projections in the remainder of the BSR assume that all of the capital proposals are approved.

The current capital plan, updated for schemes approved since the MTFS 2017 and proposals for new schemes, is shown in detail in Appendix E (d). The tables below summarise the changes since the MTFS Oct 2017, the latest capital plan and shows how it is funded.

Capital plan spending	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Spend MTFS Oct 2017	38,334	1,845	272	866	61	-
Approvals since MTFS Oct 2017 see Appendix E (c):						
Pre-planning development costs for Silver Street toilets capitalised	48	-	-	-	-	-
Under urgency	145	-	-	-	-	-
Section 106 (with funding)	315	50	-	-	-	-
Capital Plan total before new proposals	38,842	1,895	272	866	61	-
New proposals see Appendix E (d)	1,056	11,966	10,655	2,500	-	-
Total Spend	39,898	13,861	10,927	3,366	61	-

Capital plan spending	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Programmes	23,834	1,864	-	-	-	-
Projects	10,364	11,735	10,831	2,550	-	-
Sub total	34,198	13,599	10,831	2,550	-	-
Provisions	5,700	262	96	816	61	-
Total Spend	39,898	13,861	10,927	3,366	61	-

Capital plan funding	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
External support						
Developer Contributions	(4,792)	(185)	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
Total External support	(6,941)	(330)	(151)	(25)	0	0
City Council						
Direct Revenue Financing (DRF) - GF Services	(336)	0	0	0	0	0
Direct Revenue Financing (DRF) - Use of Reserves	(4,279)	(1,458)	(1,786)	(1,786)	(1,786)	(1,786)
Earmarked Reserve - Capital Contributions	(3,214)	(922)	0	0	0	0
Earmarked Reserve - Climate Change Fund	(333)	0	0	0	0	0
Earmarked Reserve – Asset Replacement Reserve	(2,991)	(1,106)	0	0	0	0
HRA Capital Balances	0	0	0	0	0	0
Internal Borrowing - Temporary Use of Balances	(21,421)	(8,772)	(10,296)	(3,316)	0	0
Other Sources	0	0	0	0	0	0
Prudential Borrowing	0	0	0	0	0	0
Usable Capital Receipts	(383)	(1,273)	(76)	0	(61)	0
Total City Council	(32,957)	(13,531)	(12,158)	(5,102)	(1,847)	(1,786)
Total funding	(39,898)	(13,861)	(12,309)	(5,127)	(1,847)	(1,786)
Net Funding Available	-	-	(1,372)	(1,761)	(1,786)	(1,786)

Projects under development (PUD)

The council maintains a list of projects which may come forward for funding in due course. These projects may be fully planned and ready for delivery, or require further feasibility work and outline project planning before they are ready to be included on the capital plan. When there is funding available, schemes that have been fully developed and costed will be considered for funding.

The PUD list, with an indication of the status of each project, shown in brackets [xxx], is included at Appendix E (e).

Section 8

Risks and reserves

Risks and their mitigation

Risks and sensitivities

The council is exposed to a number of risks and uncertainties which could affect its financial position and the deliverability of the proposed budget. These risks include:

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- Funding from central government (NHB and other grants) may fall below projections;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- The economic impact of the United Kingdom leaving the European Union may impact some of the council's income streams, such as car parking income, commercial rents and planning fee income;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2010, may significantly exceed the provision set aside for this purpose;
- The business rates revaluation, which came into effect in April 2017, may reduce business rates receipts and increase the level of appeals;
- The impact of 100%/75% business rates retention, coupled with any additional responsibilities handed down to the council at that time and the outcome of the Fair Funding Review, may create a net pressure on resources;
- New legislation or changes to existing legislation may have budgetary impacts;
- Unforeseen capital expenditure, such as major repairs to offices and commercial properties, may be required;
- The implementation of proposals to tackle congestion in Cambridge may adversely impact car parking income and the delivery of services that rely on officers travelling

around the city. The council may also become subject to a work place parking levy;
and

- The council may not be able to replace time limited funding for commitments to maintain open spaces associated with growth sites, or implement alternative arrangements for their maintenance.

The budget process addresses these risks by applying principles of prudence and sustainability throughout. The sensitivity of the budget to estimates and assumptions has been assessed and is presented in Appendix D.

Equality impact assessment

As a key element of considering the changes proposed in this BSR, an Equality impact assessment has been undertaken covering all of the Budget 2018/19 proposals. This is included in this report at Appendix G. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show that they have treated everyone fairly and without discrimination.

Section 25 Report

Section 25 (s. 25) of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) reports to the authority, when it is making the statutory calculations required to determine its council tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations, and
- The adequacy of the proposed levels of financial reserves.

This includes reporting and taking into account:

- the key assumptions in the proposed budget and to give a view on the robustness of those assumptions;
- the key risk areas in the budget and to assess the adequacy of the council's reserves when reviewing the potential financial impact of these risk areas on the finances of the council; and
- it should be accompanied by a reserves strategy

This report has to be considered and approved by full council as part of the budget approval and council tax setting process.

The majority of the material required to meet the requirements of the Act has been built into the key reports prepared throughout the corporate budget cycle, in particular:

- MTFS 2017
- The corporate plan and the budget reports to the January cycle of meetings.

This reflects the fact that the requirements of the Act incorporate issues that the council has, for many years, adopted as key principles in its financial strategy and planning; and which have therefore been incorporated in the key elements of the corporate decision making cycle.

This also reflects the work in terms of risk assessment and management that is built into all of the key aspects of the council's work.

The Section 25 report will be included as Section 10 in the version of the BSR to be submitted to council.

General reserves

GF reserves are held as a buffer against crystallising risks, and to deal with timing issues and uneven cash flows. As such, the level of reserves required is dependent on the financial risks facing the council, which will vary over time. The prudent minimum balance (PMB) and target level of GF reserves were reviewed and amended in the MTFS. No further changes are recommended at this time.

GF reserves	£m
October 2017 MTFS / February 2018 BSR – Recommended levels	
- Target level	6.42
- Minimum level	5.35

The projected levels of reserves for the budget setting period, based on the proposals included in this report, and assuming that all net savings requirements are delivered, are as follows:

Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Balance as at 1 April (b/fwd)	(15,412)	(9,188)	(8,758)	(9,367)	(8,491)	(7,392)
Contribution (to) / from reserves	6,224	479	(576)	867	1,061	883
Non-Cash Limit items (Appendix C(d))	-	(49)	(33)	9	38	-
Balance as at 31 March (c/fwd)	(9,188)	(8,758)	(9,367)	(8,491)	(7,392)	(6,509)

Section 9

Future strategy and recommendations

Future issues and prospects

The impact of a number of uncertainties and challenges outlined below are likely to become clearer in the early part of 2018/19. The new or developing issues and projects which are not clear at the time of agreeing this BSR include:

- **New Homes Bonus (NHB)** – certain elements of the 2016 consultation on the future of this funding stream have yet to be finalised, with the outcome of further consultations still outstanding. Additionally the implementation of a deadweight factor which can be adjusted by the government year by year increases the level of uncertainty surrounding any projections of NHB income.
- **100% (or 75%) business rates retention** – it is still unclear how this policy will be implemented, and therefore its impact on the council finances cannot be assessed at this point. In particular, the ongoing Fair Funding Review may result in changes to the council's funding baseline and therefore to the amount of tariff that it pays.
- **Delivery of planned savings** – the council has delivered significant savings in previous years. As a result, current and future savings are more difficult to deliver and the council is undertaking a complex, cross cutting programme of change, both on its own and with partners to achieve them. This represents a considerable challenge for the organisation.
- **Financial pressures on other partners** - as other agencies come under spending pressure there may be direct impacts on services which are currently funded by them or in partnership with them. The County council is facing significant cuts over coming years and the Cambridgeshire and Peterborough health economy continues to be under stress. Even where there are not direct cuts to city council funding there are likely to be indirect impacts on our community based services.

- **Welfare Reform** – the government's plans to reform the country's system of welfare payments continue to have implications for the Council not least the introduction of Universal Credit. The timing of the migration of services is expected to start from October 2018, with completion by 2022. The government has made clear its expectation that staff will not TUPE across to the Department for Work and Pensions (DWP) and so the council will need to transform the service as migration of caseload to DWP takes effect.
- **Changes to housing policy** - the significant impact recent changes to government policy is having on the HRA will require significant in housing related savings funded by the HRA. They will also have a knock on impact on support services funded through the HRA and other housing related services funded by the GF.

Future savings strategy

Our efficiency plan

The council submitted its efficiency plan to government in October 2016 and the Minister for Local Government, Marcus Jones, wrote to the council in November 2016 confirming that this efficiency plan will be rewarded by a multi-year financial settlement. This means the council can now expect at least the minimum stated allocation of business rates and revenue support grant up to 2019-20. In return the council will continue its ambitious programme of service transformation.

The programme laid out in the efficiency plan tackles the need to deliver good services with fewer resources through five complementary strands of activity:

- Transforming the way the council delivers services by focusing on what's important to service users and delivering that well, sharing services with neighbouring councils where possible to reduce costs and to create stronger and more resilient teams.
- Reducing the number of council offices and reusing other assets.
- Developing new council businesses and ensuring all services think commercially and explore income generating opportunities.

- Investing money wisely so it does not sit in bank accounts earning very little but works to generate a better return for council tax payers.
- Challenging the council's capital programme to reduce capital commitments and ensuring those schemes that do go ahead are well planned and delivered in a timely way.

Underpinning all of this is a commitment to targeting scarce resources to help people who need help and to meet the needs of most vulnerable.

Delivery of our transformation programme in 2018

Transforming the way the council delivers services by focusing on what's important to service users and delivering that well, sharing services with neighbouring councils where possible to reduce costs and to create stronger and more resilient teams

We will continue to pursue plans to share services with other councils focusing particularly on the opportunities for sharing planning with South Cambridgeshire Council during 2018/19. We will look at the opportunities to develop our digital agenda in partnership with other councils and the opportunities for reforming public services as a result of devolution. We will also continue to look at the services we already share to identify whether further efficiencies can be generated. Our programme of systematic service reviews will continue the next phase focusing on our digital strategy

Reducing the number of council offices and re using other assets

We will continue with the implementation of our office and accommodation strategy which will see staff at Mill Road depot relocated to Cowley Road and the redevelopment of the Mill Road site for housing and supporting community facilities.

Developing new council businesses and ensuring all services think commercially and explore income generating opportunities

We will continue to identify further opportunities for more commercial approaches to our services.

Investing money wisely so it does not sit in bank accounts earning very little but works to generate a better return for council tax payers

In total £50 million in underused financial reserves has been freed up since 2014 to secure more commercial property assets, and to invest in housing via Cambridge City Housing Ltd, generating income for reinvestment while addressing affordable housing need.

Challenging the council's capital programme to reduce capital commitments

The Capital Programme Board continues to scrutinise potential capital projects to make sure they are underpinned by credible business cases. There are a number of capital bids in the 2018/18 budget focused on ICT investment to enable future efficiencies.

Conclusions

This report presents a balanced budget for 2018/19 and a continuing strategy to maintain the council on a firm financial footing in the medium term. However, significant financial challenges and uncertainties remain.

The overall budget and medium term financial strategy are not without risk, as they rely on the successful delivery of a challenging programme of transformational projects, some of which rely on collaborative working with partners. They are also dependent on increasing levels of income which could be adversely impacted by local or national economic factors, such as Brexit. The council actively manages the level of its reserves to give some protection against these risks.

Increasingly, the financial health of the council and hence its ability to deliver services to local residents and visitors to the city will be under the council's control. The key will be to balance policy driven spending with commercialism, and prudent management with well-considered risk taking for reward.

Section 10

Section 25 Report

To be added for presentation to council

Appendix A(a)

Calculation of Council Tax Base 2018/19

	Council Tax Bands									
	A entitled to disabled relief reduction	A	B	C	D	E	F	G	H	Total
Dwellings on the valuation list		4,142	10,195	19,410	9,849	5,650	3,619	3,121	482	56,468
Dwellings treated as exempt		(768)	(546)	(921)	(662)	(460)	(288)	(391)	(168)	(4,204)
Adjustments for disabled relief (i.e. reduced by one band)		(1)	(12)	(40)	(31)	(17)	(6)	(11)	(3)	(121)
	1	12	40	31	17	6	11	3	0	121
Total chargeable dwellings	1	3,385	9,677	18,480	9,173	5,179	3,336	2,722	311	52,264
Number of dwellings included in the totals above:										
Where there is a liability to pay 100% council tax	0	1,584	4,542	12,742	6,705	3,935	2,672	2,293	267	34,740
That are assumed to be subject to a discount or premium	1	1,801	5,135	5,738	2,468	1,244	664	429	44	17,524
Dwelling Equivalents:										
Number of dwelling equivalents after applying discounts and premiums to calculate taxbase	0.8	2,920.3	8,357.5	16,992.8	8,521.0	4,852.5	3,162.3	2,611.5	296.8	47,715.3
Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
Band D equivalents	0.4	1,946.8	6,500.3	15,104.7	8,521.0	5,930.8	4,567.7	4,352.5	593.5	47,517.7
Band D equivalent contributions for Government properties										0.0
Allowance for Council Tax Support										(3,904.9)
Tax base after allowance for Council Tax Support										43,612.8
	Add			Estimated net growth in tax base						618.6
	Less			Adjustment for student exemptions						(676.6)
	Less			Assumed loss on collection at 1.3%						(566.2)
Total Band D Equivalents – Tax base for Council Tax and Precept Setting Purposes										42,988.6

A Local Poverty Rating Index to assist in assessing Budget Proposals 2018/19

To assist members in assessing the impacts of budget proposals on low income groups of people in the City a local poverty rating composite index ("the Index") has been developed and has been applied for this year's budget proposals for 2018/9 (as used in last year's process as a revised version of the methodology first used in the previous year). The impact classifications are shown in the table below:

Impact classification of impact	Assessment
High	The bid is a good fit with the areas of focus in the council's Anti-Poverty Strategy and targets people on low incomes that are experiencing pressing and urgent problems that will affect their ability to meet their basic needs, such as housing, food, warmth and security in the short-term.
Medium	The bid touches on or is outside the areas of focus in the council's Anti-Poverty Strategy but will deliver improvements to people and families living on low incomes in the short to medium-term.
Low	The bid is outside the areas of focus in the council's Anti-Poverty Strategy but will deliver improvements to people and families, including those living on a low income.
None	The level of service to low income people and families will not change.
Negative	The bid is likely to reduce or restrict access to services by people or families living on a low income.

The council's full [Anti-Poverty Strategy](#) shows the objectives and areas of focus for the Cambridge Anti-Poverty Strategy.

2018/19 Budget - Pressures

Page 1 of 9

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Environmental Services & City Centre

B4043	Visit Cambridge & Beyond (VCB) unbudgeted provision for pension increase	0	17,000	0	0	0	Joel Carre	Nil
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Visit Cambridge & Beyond (VCB) is seeking interim financial support to cover an unavoidable increase in its annual employer pension contributions from 18.5% to 23.7% in 2018/19. This significant increase was not budgeted for in the Council's approved business case to establish VCB as a long term sustainable tourism service delivery model. VCB is seeking one year's interim financial support to cover this unavoidable and unforeseen budget pressure, as, by 2019/20, it will have been able to adapt its business model to accommodate it.

None

B4045	Market Square Project	0	100,000	0	0	0	Joel Carre	Nil
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A strategic development project to enhance the economic, social and environmental value of the Market Square public realm as a key community asset to support the city's growth. The project will be undertaken in two stages: stage 1 (feasibility assessment and preliminary costings) in 2018/19, to determine whether or not the project is financially viable, before proceeding to stage 2 (detailed design and associated capital investment plan) in 2019/20. The results from stages 1 and 2 will be used to support a planning application for the proposed project and to secure any additional capital and revenue resources required to support its ongoing development and delivery.

None

B4093	Additional staff requirements for Shared Waste Service to support household growth	0	40,000	40,000	40,000	40,000	Suzanne Hemingway	Nil
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The service is currently experiencing an annual property growth in the region of 2,700 properties per year. This growth puts additional pressure on the service to ensure that collections are not missed. Currently this has been absorbed by the service by utilising Team Managers as relief collection staff, however this cannot continue as it is having a negative impact on the duties they should be undertaking including training and safety inspections. The collection service has been modelled and it has been determined that an additional three collection staff will be needed to support collection across the three collection streams. £40k represents half of the cost, the other half is in South Cambridgeshire District Council (SCDC) budgets for 2018/19.

None

B4095	Waterbeach Facilities additional depot costs	0	4,800	4,800	4,800	4,800	Suzanne Hemingway	Nil
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The Waterbeach depot landlord has implemented charges for maintenance and service as per the lease agreement for the site which they had previously chosen not to pass on. The charges relate to use of fuelling station and vehicle wash off area both of which are required to fulfil the service operation. The £4,800 represents half of the cost to be paid by the City Council with the remaining £4,800 to be paid by South Cambridgeshire (SCDC).

None

B4115	Additional Administrative and Skilled Vehicle Fitter at the Waterbeach garage	0	59,000	59,000	59,000	59,000	David Cox	Nil
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2018/19 Budget - Pressures

Page 2 of 9

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

With the growth of business and the reduction in hours of the administration support staff an additional None member of staff is needed to keep pace with the workload. Also due to new contracts being signed an additional Fitter post is needed. [Linked to I14114]

Total Bids in Environmental Services & City Centre

0	220,800	103,800	103,800	103,800
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Finance & Resources

B3998	Council Tax Officer - Invest to maintain essential income	0	30,000	30,000	30,000	30,000	Kevin Jay	Nil
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Despite use of on-line systems and more efficient working, the on-going increase in households has led to extended processing times and a deterioration in customer service with unnecessary repeat contacts. The current backlog is not sustainable; an additional officer will increase capacity to cope with expected growth, maintain collection rates and significantly improve customer satisfaction, providing capacity for coping with expected workload increases over the next two years, by which time the introduction of full service Universal Credit and a revised council tax reduction scheme will have necessitated a full service review. Low

B4004	Staffing – Fraud Prevention Officer	0	16,400	16,400	16,400	16,400	Naomi Armstrong	Nil
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In order to maintain current staffing levels a bid is being made for funding of a fraud prevention officer in light of the end of DCLG funding for this post. The bid represents the General Fund proportion (40%) of the costs for the post. (Linked to proposal B4101). Low

B4068	Digital Team Staffing - Joint 3C (three council) approach with Hunts DC and South Cambs DC	0	88,600	143,200	143,200	112,400	Jonathan James	Nil
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To create a collaborative Digital Structure working within 3C ICT that will give respective digital initiatives None greater impetus and focus. The resources include the vital future hosting and development costs associated with the council's website, and will also facilitate C4065 as well as a transformational digital programme of work within the council. Strong public support for digital transformation and channel shift was evidenced in the City Council's recent budget consultation exercise. GF element [Linked to B4132]

Total Bids in Finance & Resources

0	135,000	189,600	189,600	158,800
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Housing - General Fund

B4013	Funding for an additional Assessment and Support Officer	0	26,500	26,500	26,500	26,500	David Greening	Nil
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To facilitate an improvement to the housing register verification process, a bid for an additional full time Assessment and Support Officer (City Pay Band 3) is proposed. This post will allow for verification of applications at the point of application as opposed to delaying until the point of offer, which should positively impact void performance for the Council and housing association partners. None

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Bids

B4014	Funding to support the Housing Development Agency (HDA)	0	116,800	0	0	0	Cath Conlan	Nil
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The HDA, in conjunction with the newly created Cambridge Investment Partnership (CIP), are driving forward delivery of the 500 new Council homes over the next four years. This bid is for additional resourcing of the staff team which needs to be at full capacity in 2018/19 to ensure delivery from 2019/20 onwards. None

Total Bids in Housing - General Fund

0	143,300	26,500	26,500	26,500
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Planning Policy & Transport

B4088	3C's Out Of Hours Computer (ICT) Support Services	0	27,500	27,500	27,500	27,500	Sean Cleary	Nil
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The original corporate ICT support contract for the City Council was set up to cover mainly office hours, Mon to Fri. The Council's multi-storey car parks peak operational periods is inclusive of weekends. The service has previously experienced loss of service which could have been mitigated if IT services were available at weekends. Having the Out of hours (OOH) support will allow continuity of services, protection of revenue streams and protection of the council's overall reputation. Negat ive

B4133	Additional planning enforcement officer	0	40,000	40,000	40,000	40,000	Sarah Dyer	Nil
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Additional post to increase planning enforcement capability during the current period of major growth pressure in the city, and the need both to ensure effective enforcement action on occasions of development occurring without proper applications, and also where conditions are breached. This resource will be allocated to additional enforcement in Cambridge, and paid for by the City Council as part of the new Planning Shared Service. None

Total Bids in Planning Policy & Transport

0	67,500	67,500	67,500	67,500
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Strategy & Transformation

B4005	Additional funding for the Council's Climate Change Fund	0	250,000	0	0	0	David Kidston	+H
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An additional allocation to the Council's Climate Change Fund to support carbon reduction projects to be delivered in 2018/19, subject to the outcome of feasibility studies to be carried out. Potential projects could include: a solar PV or solar thermal installation at Parkside Pools; a biomass boiler at Kings Hedges Learner Pool; and heating and lighting improvements at the Corn Exchange. None

B4006	Increased capacity to produce public information films	0	9,000	9,000	9,000	9,000	Andrew Limb	Nil
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Bids

The purpose of this bid is to increase the council's capacity to produce videos that help to explain its services to residents and other audiences. These videos would be published via the council's social media channels and website, serving to increase awareness of, and access to, the council's services. Bid funds would be used to buy external professional expertise and equipment and/or increase the Council's in-house capabilities. None

B4007	Future contribution to the Sharing Prosperity Fund	0	200,000	0	0	0	David Kidston	Nil
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This makes a further contribution to the Sharing Prosperity Fund. The funding will support the delivery of new or extended projects which will contribute to the delivery of the objectives of the Anti-Poverty Strategy. Potential projects include: extension of the existing Fuel and Water Poverty Officer post; continuing existing work to promote digital access for residents on low incomes and in poverty; continuation of the Living Wage campaign; and a pilot of the Cambridgeshire Culture Card with children and young people who are receiving free school meals and/or pupil premium, which will be addressed in a detailed report for decision after scrutiny by the Community Services Committee. High

B4008	Review of electoral arrangements for Cambridge City Council.	0	20,000	0	0	0	Vicky Breeding	Nil
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The Local Government Boundary Commission for England are conducting a review of the number of None councillors, wards and ward boundaries within Cambridge. Extra funding is required to backfill electoral services staff time that will be taken up by the review project, and potentially to buy in additional external analytical capacity. Additional scope also required for necessary research tools and assistance.

B4015	Funding to support the Cambridge Northern Fringe East (CNFE) Bid	0	475,000	324,000	0	0	Fiona Bryant	Nil
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The Cambridge Northern Fringe East offers the last major available undeveloped brownfield site in Cambridge as a potential site for a new innovation quarter with a live, work and learn philosophy within an area of high connectivity. It forms the Combined Authority's priority bid for the Housing Infrastructure Fund for Capital Funding to relocate the Anglian Water Waste Treatment works as part of a major infrastructure project for housing delivery (7,600 homes proposed). Revenue funding is needed firstly to establish and maintain programme governance and key management support through the bid process and beyond (18/19 £122k and if the bid is successful, a further £137k in 19/20). Secondly funding is required to develop an Area Action Plan (AAP). To meet delivery timescales the AAP process needs to be initiated in 18/19 in advance of the bid outcome. As the AAP covers a wider area than the core CNFE area, the development of an appropriate AAP will be required whatever the bid outcome. None

B4037	Anti Social Behaviour work and Street Life Coordinator post	0	26,200	26,200	26,200	0	Lynda Kilkelly	Nil
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Bids

A one-year only bid of £59.8 was approved in 2017/18 initially to allow a full review of the ASB service, to identify future work levels and priorities for the Council. The review has been carried out and a number of workload areas have been identified that are non-HRA and that must be funded by the General Fund if they are to continue. They include two days per week required to do case work on street life community issues previously funded by the PCC, and essential to the overall strategy of the Street Life Working Group. The net bid for non-HRA work is £26.2k for 2017/18 and will be reviewed in 2020. High

B4040	Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour	0	28,000	28,000	28,000	28,000	Deborah Simpson	Nil
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The proposal is to introduce a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour. For employees the weighting will be paid in addition to salary and the Living Wage supplement, to bring the hourly rate to an equivalent of £10 per hour. For agency workers the weighting will apply in addition to current hourly rates and the Living Wage arrangements. The weighting will be variable, depending upon the current hourly rate and the Living Wage supplement payable at that time. High

B4110	Support for asylum seekers and refugees	0	25,000	25,000	0	0	Lynda Kilkelly	Nil
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A survey was commissioned with Cambridge Ethnic Community Forum to get a better understanding of asylum seekers and refugees in Cambridge not included in the Government schemes under which the Council is resettling refugees. The survey also sought to learn what issues and support is required. This 2 year funding bid will be used to commission services to help meet the needs identified, for example: High

- Providing effective information and translation services
- Tackling economic and social marginalisation
- Providing assistance with immigration status
- Finding accommodation. The funding is needed in 2018/19 as 2017/18 funding via grant, and via Home Office funding to provide advice for VNPR programme refugees no longer applies. The new service will be reviewed mid- way through year 2 to establish whether further support is required in future years.

Total Bids in Strategy & Transformation	0	1,033,200	412,200	63,200	37,000
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Streets & Open Spaces

B4111	Trees for Babies project	0	5,000	5,000	5,000	5,000	Matthew Magrath	+L
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The Trees for Babies scheme offers the opportunity for parents to receive a free tree to commemorate the birth of their baby and so help to increase the tree cover of Cambridge City. The tree can be planted at home or, with the agreement of a third party, such as a school, on other non-City Council land within the City. If the target of increasing tree cover in the City is to be achieved, supporting planting on non-City Council land has an important part to play. The number of households receiving a free tree under the scheme has risen from 25, in 2013-14; to 221, in 2016-17. This budget proposal will enable the scheme to respond to this significant increase in demand and to continue to grow, including through modest marketing activity and an extension of the target-age range to those starting schooling, in order to ensure maximum opportunity for take-up. None

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Bids

Total Bids in Streets & Open Spaces	0	5,000	5,000	5,000	5,000		
Total Bids	0	1,604,800	804,600	455,600	398,600		

2018/19 Budget - Pressures

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Reduced Income

Finance & Resources

RI4002	Local Taxation shortfall in court costs income	0	38,000	38,000	38,000	38,000	Kevin Jay	Nil
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The shortfall in Local Taxation court costs income is primarily due to the team's efficiency in terms of the clearing of historic arrears in prior years, which has resulted in current court cost recovery being mainly in respect of current year liability. The income budget needs to be adjusted to reflect this position and a reduced income bid is being submitted in light of this.

RI4035	Loss of Credit Card Charge Income	0	12,000	12,000	12,000	12,000	Charity Main	Nil
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Legislation will prevent organisations from recovering credit card processing costs by levying an additional fee.

Total Reduced Income in Finance & Resources	0	50,000	50,000	50,000	50,000	50,000		
Total Reduced Income	0	50,000	50,000	50,000	50,000	50,000		

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Unavoidable Revenue Pressure

Environmental Services & City Centre

URP4056	Environmental Health Officer (EHO) post to undertake technical input to Planning	0	52,000	52,000	52,000	52,000	Yvonne O'Donnell	Nil
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Cambridge University has funded an EHO post to provide technical input on all the University growth sites development plans, as part of a wider development service support agreement secured through Planning. The University has recently conducted a review of this agreement and decided to terminate it. This bid is proposed in order to sustain the post, as there remains a significant ongoing need for EHO technical input to planning, given the scale of development being experienced in the city, including the University's own plans. The aim would be to offset the cost of the post through recharging developers' for planning application and post-condition discharge EHO technical input. None

URP4057	Revenue support to offset the reduction in income associated with the waiving of license fees for low emission taxis	0	10,000	20,000	27,000	40,000	Yvonne O'Donnell	Nil
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The Council is committed to improve air quality in the City. One proposal through the Air Quality Annual Status report to DEFRA is that the Council would tackle air quality by increasing low emission taxis coming into the City. In June 2016 a report went to Licensing Committee agreeing in principle a number of taxi policy changes in relation to environmental considerations to be implemented in April 2018. One of which was to waive the license fees for low emission taxis. As licensing has to be self-funding this waiver would have to be offset. In June 2016 a report went to Environment Scrutiny Committee which agreed in principle for revenue support to offset the reduction in income. It is likely the new policy changes will start in April 2018 with a five year lead in period. None

Total Unavoidable Revenue Pressure in Environmental Services & City Centre

0	62,000	72,000	79,000	92,000
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Finance & Resources

URP4066	Insurance Premiums	0	30,000	30,000	30,000	30,000	Karl Tattam	Nil
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Changes in legislation have seen the discount rate for Personal Injury claims change from +2.5% to -0.75%, this will have an impact on insurance premiums which cover personal injury claims (Public Liability (PL), Employers' Liability (EL) and Motor). We will also increase the indemnity limits to £30 million for EL and PL covers. The impact on EL and PL premiums is unknown, this is an estimate based on the increase to Motor Premiums. None

Total Unavoidable Revenue Pressure in Finance & Resources

0	30,000	30,000	30,000	30,000
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Planning Policy & Transport

URP4072	Set up costs (revenue) Greater Cambridge Planning Partnership	0	138,000	0	0	0	Stephen Kelly	Nil
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Unavoidable Revenue Pressure

Project management and associated costs for new Greater Cambridge Planning Partnership None

URP4073	Contribution to cost of discrete city planning strategies and the joint Local Plan	0	150,000	150,000	150,000	150,000	Stephen Kelly	Nil
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Cambridge City Council's proportionate share of joint Local Plan costs as part of our joint venture with South Cambridgeshire District Council in the Greater Cambridge Planning Partnership. The Local Plan is a statutory responsibility and sets out local planning policies and identifies how land is used, determining what will be built where. Adopted local plans provide the framework for development across England. This bid will also fund strategies for stand alone City policies such as the implementation of Community Infrastructure Levy (CIL) and Neighbourhood Plans. None

Total Unavoidable Revenue Pressure in Planning Policy & Transport

0	288,000	150,000	150,000	150,000
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Strategy & Transformation

URP4009	Members Allowances	0	12,000	24,000	24,000	24,000	Gary Cliff	Nil
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There is further work from the Independent Remuneration Panel on special responsibility allowances and any approved increase would need funding. Also, the basic allowance for all Members will rise in line with the National Living Wage up to and including 2019/2020 and is the majority of the total bid. None

URP4020	Increase in recharge of Asset Management Team to the General Fund	0	45,100	45,100	45,100	45,100	Trevor Burdon	Nil
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A review of the work undertaken by the HRA Asset Management Team results in an increase in recharge to the General Fund in respect of work to administrative buildings, compliance and commercial property, etc None

Total Unavoidable Revenue Pressure in Strategy & Transformation

0	57,100	69,100	69,100	69,100
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Total Unavoidable Revenue Pressure

0	437,100	321,100	328,100	341,100
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Report Total

0	2,091,900	1,175,700	833,700	789,700
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2018/19 Budget - Savings

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Increased Income

Environmental Services & City Centre

II4099	Commercial Waste Service Growth	0	(17,500)	(17,500)	(17,500)	(17,500)	Suzanne Hemingway	Nil
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The shared commercial waste service is expected to achieve a £150,000 growth in income in addition to growth already achieved in the business area. This should provide an additional surplus for the service in the region of £35,000 after the cost of delivery such as collection, disposal, cost of sales including an active marketing programme. This will be a result of sales expansion including widening existing business portfolio with a focus on increasing recycling across the district as well as introducing further service efficiencies. The additional £17.5k income is shown within SCDC budgets. All additional income will be subject to the MoU agreement. None

II4114	Garage at Waterbeach - additional income from new contracts	0	(59,000)	(59,000)	(59,000)	(59,000)	David Cox	Nil
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The Commercial Services manager at the garage has secured additional contracts resulting in £79k of income. [Linked to B4115] None

Total Increased Income in Environmental Services & City Centre

0	(76,500)	(76,500)	(76,500)	(76,500)
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Finance & Resources

II4038	Commercial Property Acquisitions Additional Income	0	(180,000)	(260,000)	(260,000)	(260,000)	Dave Prinsep	Nil
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Income generated from commercial property acquisition funding of £20 million in last year's Medium Term Financial Strategy assumed c5.5% return on price after acquisition costs. Based on existing and planned acquisitions, the overall return on price is likely to be in the region of 6.5% leading to additional income generated in 2018/19. There will no be adjustment for MRP to this income as that is calculated from the expenditure which will be unchanged. None

II4039	Commercial Property Additional Income	0	(90,000)	(90,000)	(90,000)	(90,000)	Dave Prinsep	Nil
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Forecast additional net income in 2018/19 and ongoing reflecting expected rent reviews, lease renewals and lettings on the existing property portfolio. None

Total Increased Income in Finance & Resources

0	(270,000)	(350,000)	(350,000)	(350,000)
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Planning Policy & Transport

II4122	Introduction of hire charge for Shopmobility equipment	0	(45,000)	(45,000)	(45,000)	(45,000)	Sean Cleary	Nil
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Increased Income

The County Council no longer provide a grant which was £50,770 per year to support this service. It is None proposed to introduce charges based around a membership scheme with discounts for Cambridge residents. Most shopmobility schemes around the country already are subject to charges. The system of allowing up to 3 hours free parking to users of the service would remain unchanged.

II4129	Park Street Original Assumptions for redevelopment of site added back to the budget	0	(560,000)	(400,000)	(30,000)	0	Sean Cleary	Nil
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Given there is now clarity on the short term future of Park St car park, this bid is for the increased income year None on year for the next three years or until any development begins

Total Increased Income in Planning Policy & Transport

0	(605,000)	(445,000)	(75,000)	(45,000)
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Streets & Open Spaces

II4044	S&OS service review - Lammas Land Car Park	0	(80,000)	(80,000)	(80,000)	(80,000)	Joel Carre	Nil
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Introduce an appropriate car park charging scheme at Lammas Land car park to deter inappropriate long None stay use parking by commuters and shoppers. [Linked to C4116]

II4048	S&OS service review - Events income	0	(40,000)	(40,000)	(40,000)	(40,000)	Joel Carre	Nil
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Secure additional income from Council's current commercial events programme through adopting a more None appropriate charging structure for commercial organisations. This will be achieved without increasing size or number of commercial event on Council open spaces, or alter the level of space available to the public

II4049	S&OS service review - Waste management	0	(10,000)	(30,000)	(30,000)	(30,000)	Joel Carre	Nil
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Bring the Council's depot waste handling service 'in house', following the approval of a 2017/18 capital plan None allocation to purchase a 32 tonne grab lorry. This will deliver savings on current waste handling contract (see separate 'linked' budget proposal) and provide capacity to secure additional income from other Council services and external clients.

Total Increased Income in Streets & Open Spaces

0	(130,000)	(150,000)	(150,000)	(150,000)
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Total Increased Income

0	(1,081,500)	(1,021,500)	(651,500)	(621,500)
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Programme

Strategy & Transformation

PROG4067	Additional funding for Business Transformation Programme	0	250,000	100,000	0	0	Paul Boucher	Nil
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The Council is currently 3 years into delivering a programme of transformational change. We are focussing the next tranche of projects around delivering the implementation of our digital transformation strategy. The programme has already helped to support the delivery of savings within other programmes through project management and procurement support. Up to 25% of project costs can be incurred without effective management. We aim to deliver more services digitally online whilst still providing support for vulnerable customers or those with complex needs. The bid supports the retention of the Programme Office to support the programme to the end of 2019/20 and provides for additional business analysis and project management resources required to deliver these projects and other staffing costs associated with the programme. None

Total Programme in Strategy & Transformation

0	250,000	100,000	0	0
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Total Programme

0	250,000	100,000	0	0
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Savings

Environmental Services & City Centre

S4052	Deletion of Team Manager post within Environmental Health	0	(55,000)	(55,000)	(55,000)	(55,000)	Yvonne O'Donnell	Nil
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2 Team Manager vacancies arose over the last year which gave an opportunity to streamline some of the services within Environmental Health. This has led to the amalgamation of 2 teams into 1 and hence the appointment into 1 Team Manager post. This has led to a further review of Environmental Health to allow resilience within the teams to ensure service delivery continues. None

Total Savings in Environmental Services & City Centre

0	(55,000)	(55,000)	(55,000)	(55,000)
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Finance & Resources

S4036	Document Scanning savings for Customer Services	0	(5,000)	(7,500)	(7,500)	(7,500)	Clarissa Norman	Nil
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Currently Cambridge City Council has a scanning contract to process documents for Revenues and Benefits. This contract is scheduled to expire on 30.06.18. The plan is to bring the workload associated with this task back into Customer Services due to reduced volumes in scanning. The work effort associated with the revised volumes equates to 1.5 FTE staff members, leaving a net saving of £5,000 in 2018/19 and £7,500 thereafter. None

S4070	ICT Shared Service Contribution - Increase in Savings Target	0	(50,000)	(50,000)	(50,000)	(50,000)	Jonathan James	Nil
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Forecast increase in ICT Shared Service savings target to reflect contract efficiencies and reduced use of hired contractors. None

Total Savings in Finance & Resources

0	(55,000)	(57,500)	(57,500)	(57,500)
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Housing - General Fund

S4016	Saving in inflationary element of grants to Housing Agencies	0	(10,900)	(10,900)	(10,900)	(10,900)	David Greening	Nil
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The 2018/19 grants to housing agencies were approved in principle at Housing Scrutiny Committee in September 2017. The total programme did not fully commit the inflationary element of the budget for the coming year, and as a result a saving is proposed. None

S4019	Savings in operational costs across the General Fund	0	(5,300)	(5,300)	(5,300)	(5,300)	Julia Hovells	Nil
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2018/19 Budget - Savings

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Savings

This saving is anticipated due to reduced operational expenditure such as publicity, IT and travel costs across None Housing Advice, Town Hall Lettings, Choice Based Lettings and Housing Strategy.

S4021	Savings in salary costs due to staff turnover and retention	0	(16,800)	(16,800)	(16,800)	(16,800)	Julia Hovells	Nil
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This saving is delivered due to new staff being appointed at lower points on the scale, and retained staff at None top of scale not being in receipt of incremental progression.

S4054	Deletion of Property Accreditation Scheme and associated post within Environmental Health (EH)	0	(41,500)	(41,500)	(41,500)	(41,500)	Yvonne O'Donnell	Nil
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The Property Accreditation Post oversees the Property Accreditation Scheme and has been in existence for None 11 years where it has supported the good landlords by inspecting and advising them on how to improve their properties. It also provides forums and newsletters to ensure that the landlords are kept up to date with new legislations and guidance. However it has been recognised that resources need to be put into tackling the poor standards of private rented sector therefore members through Housing Scrutiny Committee agreed that the Property Accreditation Scheme and associated post should be deleted, and the Residential Team should focus more on private rented sector enforcement.

Total Savings in Housing - General Fund	0	(74,500)	(74,500)	(74,500)	(74,500)
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Planning Policy & Transport

S4124	Greater Cambridge Planning Partnership - reduction in shared service cost	0	(166,000)	(166,000)	(166,000)	(166,000)	Stephen Kelly	Nil
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Draft regulations have been published to allow fees to be increased on the basis that the additional income None must be spent on the Planning Service. The anticipated 20% increase in Planning Application Fees will result in a reduction in shared service cost estimated to be in the range from £150k - £200k

Total Savings in Planning Policy & Transport	0	(166,000)	(166,000)	(166,000)	(166,000)
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Strategy & Transformation

S4102	Reduced pension deficit contributions from the GF	0	(86,500)	(170,200)	(170,200)	(170,200)	John Harvey	Nil
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Following the latest triennial review and negotiations for a 3 year up-front settlement, the anticipated None contributions from the GF to meet the pension deficit are lower than previously budgeted.

Total Savings in Strategy & Transformation	0	(86,500)	(170,200)	(170,200)	(170,200)
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2018/19 Budget - Savings

Page 6 of 6

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Streets & Open Spaces

S4050	S&OS service review - Service restructure	0	(180,000)	(230,000)	(230,000)	(230,000)	Joel Carre	Nil
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Undertake review of S&OS operational service with aim of improving operational efficiency and lines of reporting; addressing areas of operational overlap and aligning resources to service need. The achievement of the proposed saving target is subject to the outcome of the operational service review process in March 2018. This is anticipated to deliver £130k annual saving. None

Expand the area of pictorial meadow and other such attractive and environmentally friendly perennial planting on Council managed sites across the city, including introducing such planting in existing ornamental bedding schemes. This is anticipated to deliver £50k annual saving starting in 2019/20.

Manage toilet cleaning frequencies better so that the number of cleaning visits per day corresponds more closely with its level of use. This will result in a reduction in cleaning visits per day from 4 to 2-3 visits at 12 toilet facilities. This is anticipated to deliver £50k annual saving.

Total Savings in Streets & Open Spaces	0	(180,000)	(230,000)	(230,000)	(230,000)			
Total Savings	0	(617,000)	(753,200)	(753,200)	(753,200)			
Report Total	0	(1,448,500)	(1,674,700)	(1,404,700)	(1,374,700)			

2018/19 Budget - External Bids

Page 1 of 1

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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External Bids

Housing - General Fund

X4081	Increase staffing capacity in response to Homelessness Reduction Act	0	214,900	214,900	0	0	David Greening	Nil
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As a result of the Homelessness Reduction Act, there is an increased statutory responsibility in respect of homeless applications which will result in an increased administrative burden for the authority. This bid is for 6 FTE additional staff, with the expectation that the first two years of costs will be met from the Flexible Homeless Support Grant. The plan is for an increase in staffing which will be externally funded for at least the first two years. Staffing will be reviewed once the new legislation has been in place for 12 months, as part of a service review, and to consider future external funding availability. High

Total External Bids in Housing - General Fund

0	214,900	214,900	0	0
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Total External Bids

0	214,900	214,900	0	0
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Report Total

0	214,900	214,900	0	0
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2018/19 Budget - Non-Cash Limit Items

Page 1 of 3

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Non-Committee Items

NCL4135	Council Tax Collection Fund Deficit	0	15,830	0	0	0	Charity Main	Nil
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The Collection Fund for Council Tax is projected to have a deficit at the end of the current year of £138,237. None The City Council's share of this projected year-end deficit is £15,830 and this will need to be taken into account in setting the Council's budget for 2018/19.

NCL4136	Council Tax Base adjustment	0	(10,000)	23,000	67,000	98,000	Charity Main	Nil
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The projected Council Tax Base has been recalculated using the recent housing statistics which shows a None slower rise than previously anticipated, resulting in a reduction in the income from Council Tax.

NCL4137	Council Tax increase by £5 instead of 2% in 2018/19	0	(55,000)	(56,000)	(58,000)	(60,000)	Charity Main	Nil
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The projected Council Tax yield increase due to raising Council Tax by £5 instead of 2% in 2018/19 None

NCL4150	New Homes Bonus (NHB) change to income projections	0	(185,000)	649,000	443,000	245,000	Caroline Ryba	Nil
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New Homes Bonus (NHB) income projections have been revised following the notification from the None Department for Communities and Local Government (DCLG) December 2017 and recalculated based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL4151, NCL4152 and NCL4153].

NCL4151	Contribution to Greater Cambridge Partnership (formerly City Deal) from New Homes Bonus (NHB)	0	74,000	(259,000)	(177,000)	(98,000)	Caroline Ryba	Nil
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New Homes Bonus (NHB) to support the Greater Cambridge Partnership (formerly City Deal) programme, None which is based on a contribution of 50% in 2016/17 only and 40% for all other years, has been revised following notification from the Department for Communities and Local Government (DCLG) December 2017 and recalculated based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL4150, NCL4152 and NCL4153].

NCL4152	New Homes Bonus (NHB) – unallocated	0	116,000	(395,000)	(266,000)	(147,000)	Caroline Ryba	Nil
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Net unallocated New Homes Bonus (NHB) has been revised following the notification from the Department for None Communities and Local Government (DCLG), revised allocations for Greater Cambridge Partnership (formerly City Deal) infrastructure investment and any further funding allocations. [Linked to NCL4150, NCL4151 and NCL4153].

2018/19 Budget - Non-Cash Limit Items

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Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

NCL4153	New Homes Bonus (NHB) contribution to Earmarked Reserve	0	(5,000)	5,000	0	0	Caroline Ryba	Nil
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New Homes Bonus (NHB) has been revised following the notification from the Department for Communities and Local Government (DCLG), revised allocations for Greater Cambridge Partnership (formerly City Deal) infrastructure investment and any further funding allocations. This adjustment reduces the previous contribution to the A14 mitigation fund to match the £1.5m spend provided for. [Linked to NCL4150, NCL4151 and NCL4152].

Total Non-Cash Limit Items in Non-Committee Items

0	(49,170)	(33,000)	9,000	38,000
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Strategy & Transformation

NCL4146	Mill Road depot redevelopment - Equity Loan to CIP - interest receivable	0	(14,000)	(30,000)	(48,000)	(168,000)	Fiona Bryant	Nil
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Interest receivable in relation to CIP equity loan, in excess of budgeted investment returns None

NCL4147	Mill Road depot redevelopment - Equity Loan to CIP - Contribution to GF development earmarked reserve	0	14,000	30,000	48,000	168,000	Fiona Bryant	Nil
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Interest receivable in relation to CIP equity loan in excess of budgeted investment returns moved to None earmarked reserve to provide contingency and risk mitigation for the project

NCL4148	Mill Road depot redevelopment - Development Loan to CIP - interest receivable	0	(19,000)	(350,000)	(200,000)	0	Fiona Bryant	Nil
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Interest receivable in relation to CIP development loan, in excess of budgeted investment returns None

NCL4149	Mill Road depot redevelopment - Development Loan to CIP - Contribution to GF development earmarked reserve	0	19,000	350,000	200,000	0	Fiona Bryant	Nil
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Interest receivable in relation to CIP development loan in excess of budgeted investment returns moved to None earmarked reserve to provide contingency and risk mitigation for the project

2018/19 Budget - Non-Cash Limit Items

Page 3 of 3

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Total Non-Cash Limit Items in Strategy & Transformation

0	0	0	0	0
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Total Non-Cash Limit Items

0	(49,170)	(33,000)	9,000	38,000
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Report Total

0	(49,170)	(33,000)	9,000	38,000
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Appendix D

Sensitivity Analysis

Topic	Quantum	BSR Assumption	Commentary / Risk
Bereavement services income	c.£1.9m	Current mortality rates built into BSR assumptions	Falling mortality rate [yet ageing population in Cambridge] Competition from sites at Great Chesterford (building commenced) and Huntingdon Success of commemoration scheme and development of other commercial activities(positive) Disruption due to works along A14
Building control fee income	c. £1.0m	Based on break-even full cost recovery position for the Building Control Shared Service	Housing development levels in the sub region are not as great as anticipated or are delayed due to developers unwillingness to build Increased competition from approved inspectors leading to smaller market share
Car parking income	c. £10.2m	Based on officer and external consultants' projections of usage	Income stream is contingent on decisions made by the City Deal board to manage congestion in the city. An ever improving economic situation regionally has led to increase in disposable income in those using Cambridge as a shopping destination (positive)
Commercial property income	c. £9m	Officer assessment of current market conditions and future trends, including growth of the current property portfolio	Economic conditions lead to increase in voids, increased level of unrecoverable debts and less significant rent increases High yields are negotiated on new investments (positive)
Council tax base	c. 43,000 Band D equivalent properties @£191.75 (2018/19)	Projections are based on the housing trajectory indicated in the Annual Monitoring Report (AMR)	Any significant growth or deceleration in building will affect the number of houses on which council tax can be charged with the associated impact on the council tax income stream which in turn informs our savings requirement

Topic	Quantum	BSR Assumption	Commentary / Risk
Council tax income	£8.2m p.a.	£5 increase for 2018/19 and 2% per annum thereafter	<p>Criteria for triggering referendums for proposed excessive increases are published each year.</p> <p>Settlement allows for 3% but currently proposing previous maximum of £5 (2.68%)</p> <p>The requirement for rebilling and associated costs, together with the loss of council tax income, effectively provides a strong disincentive for high increase proposals.</p> <p>Economic climate may require an increase in enforcement activity and consequent reduction of funds available in the collection fund</p>
Developer contributions	c. £4.0m	<p>All contributions are used in compliance with terms of agreements.</p> <p>Capital bids for area-based and city-wide projects funded from developer contributions have been identified.</p>	<p>Failure to meet conditions of individual schemes leads to the requirement to repay contributions and accrued interest to developers. This is mitigated by strong funding management.</p> <p>Reduction in total unused receipts following the introduction of the Community Infrastructure Levy (CIL)</p>
Employer's pension contribution	£5.3m	BSR includes provision for employer's percentage and capital payments, and for one-off contributions as necessary	Subject to the outcome of the next triennial review with effect from 1 April 2020.
Energy costs (all)	£0.3m	Officer assessment of current conditions and trends, based on latest contracts	Volatility of world market prices. The council has contracts for electricity and gas which run from October each year and takes specialist consultant advice in determining the most advantageous terms to contract for.
Future capital receipts	Income	Occasional disposal of assets as outlined in the disposal programme. Income not taken into account until received.	The council's stock land available for sale is reducing with two large sites unsold. It is likely that one of these sites will be developed with a high percentage of affordable housing thus reducing our capital receipt.
Garage Income	£1.0m	Budget will be met	<p>Failure to maintain customers base at remote base at Waterbeach</p> <p>Failure to attract new customers</p>
Housing benefits	£37.0m	Officer assessment of current conditions and trends	<ul style="list-style-type: none"> - Council funded element of provision of the service - Potential increase in housing benefit fraud - Impact of universal credit implementation (October 2018) is not fully known - Council breached the thresholds (upper and/or lower) set by the DWP for local authority error overpayment subsidy, then this could materially affect the level of subsidy receivable on such amounts down from 100% to either 40% or 0%.

Topic	Quantum	BSR Assumption	Commentary / Risk
Interest receipts from the housing company	< £150k	An estimate of additional income for the initial three year pilot has been included to reflect the higher rate applicable to this loan above the interest rate expected on our treasury management investments	The housing company is being run as a pilot for 3 years. As this is a new venture, there will be uncertainties in the timing and amount of loan advances from the council, and therefore in the quantum of interest receipts.
Investment income	+/- 1% is c. £600k for 2017/18 variable investments	These are based on a mid-range level provided by market analysts	Rates fall further than anticipated or for a longer period. A faster increase in bank base rates would result in increase in investment income. (positive)
Land charges income	c. £0.27m	Reductions based on latest experience have been incorporated in the budget	Increased proportion of personal searches and reduced number of overall searches due to market conditions.
Local retention of business rates	c. £0.75m	BSR includes projections based on latest figures and guidance	Business rates are subject to the level of appeals against valuations lodged with the Valuation Office Agency (VOA) and the effects of redevelopment and growth in the city.
Market income	c. £0.90m	Officer assessment of current market conditions and future trends	Level of voids as a result of a changing economic climate. Any reductions will be mitigated by new traders coming to the market as we seek to widen the range of services on the market. An improving climate will see full occupancy
Non-pay inflation	+/- 1% for GF is ~ £200k for either income or expenditure for 2017/18	General inflation is included as: 2018/19 - 2.6% 2019/20 - 2.2% 2020/21 - 2.3% thereafter 2.0%	General Inflation rises more quickly than anticipated placing greater pressure on cash limited budgets or on general reserves to fund those pressures.
Pay settlement	£28.0m	Current assumption is of 2% inflation plus pay progression and budget proposal for Cambridge weighting up to £10 an hour. Pay offer for 2 years from 1 April 2018 approximately 2% with higher % uplifts on lower scale points.	An annual percentage allowance for incremental progression was previously included pending any detailed budget adjustments to reflect performance results. Changed to projected progression cost.
Planning fee income	c. £1.7m	Income projections for 2018/19 have been amended to reflect current market conditions. (now forms part of Greater Cambridge Planning Partnership)	Developers retain land stock rather than building out

Topic	Quantum	BSR Assumption	Commentary / Risk
Shared services	n/a	Shared services will deliver savings outlined individual service business cases.	<p>Delivery of savings and other non-cashable benefits is dependent on effective partnership working in a complex political and cultural environment.</p> <p>Significant element of savings will not crystallize until support service costs have been reduced to reflect smaller client base</p> <p>Savings may be delayed, may not be deliverable in full, or there may be unforeseen costs of implementation.</p>
Spending review	c. £4.2m	The budget assumption, based on the 2015 autumn statement, is that Revenue support grant will cease from 2020/21, but will be offset by increased retention of Business rates.	<p>The budget is based on the 2015 Spending review and the level of Revenue support grant and locally retained business rates are budgeted accordingly.</p> <p>Certainty of income until then has been received from the DCLG following our submission of an Efficiency Plan</p>
Support costs charged to the HRA	c. £1.25m	Support costs ("Recharges") are charged based on various fixed and variable criteria which change from year to year.	<p>Recent budget and policy announcements from central government have given rise to the need to make significant savings in the HRA. It is likely that the size of the HRA will reduce in future years, and therefore the proportion of support service costs that are chargeable to the HRA will also reduce.</p> <p>Fixed costs such as administrative buildings, management structure, costs of democracy and long term contracts cannot be reduced immediately, if at all. There may be a perceived imbalance in the short term in the proportion of costs charged to the HRA until such time as a strategic decision is taken to allocate a lower level of costs recharged to the HRA with a corresponding increase in costs to the GF and thus the council tax payer. The onus is therefore on the council to make appropriate savings in rechargeable costs as the council reduces in size overall.</p>
VAT partial exemption	c. £300k if breached	No breach of partial exemption limit is anticipated for 2017/18	Potential liability if limit is breached over a seven-year moving average

2018/19 Budget - Capital Bids

Page 1 of 4

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Environmental Services & City Centre

C4083	Vehicle and equipment fleet replacements 2018/19	0	1,091,000	0	0	0	David Cox	+L
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This is for vehicles due for replacement in April 2018. We have reviewed the number of vehicles required and are delaying replacements where vehicles remain in good condition, as well as reducing the size of the estates fleet by 7 vehicles. Most vehicle purchases for larger vehicles such as waste trucks are diesel as no suitable electric alternatives are currently available on the market. We will continue to investigate and price check suitable electric alternatives. [Funded from R&R] None

C4143	The purchase of brake rollers for the garage at Waterbeach	26,000	0	0	0	0	David Cox	Nil
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The testing of brakes on HGV vehicles is a legal requirement at every PMI (preventative maintenance inspection). This is usually and ideally carried out using a roller brake tester. The garage have an old one but due to its age it cannot be connected to a printer. A print out is required to attach to the paperwork following the PMI and is part of the legal requirement. We need to replace it in the current year to meet these requirements and to retain and increase our customer base thereby increasing income to the garage. None

Total Capital Bids in Environmental Services & City Centre

26,000	1,091,000	0	0	0
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Finance & Resources

C4010	Barnwell Business Park remedial works to the roofs	0	90,000	0	0	0	Andrew Muggerridge	Nil
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The project is to carry out large scale repairs to failed roof fixings. None

C4011	Refurbishment of the Leaded Windows in the Large Hall - Guildhall	0	101,000	0	0	0	Andrew Muggerridge	Nil
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Refurbishment of the leaded windows to one elevation in the Large Hall. The leaded windows in the Large Hall incorporate the coat of arms of several of the City's Colleges and date back over a hundred years, these windows not only form an important part of the history of Cambridge, but also Cambridge City Council. None

C4012	Resealing the roof at Robert Davies Court	0	177,000	0	0	0	Andrew Muggerridge	Nil
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The project is to recover the existing perished roof covering. None

C4065	My Cambridge City' Account - Online Customer Portal	0	160,000	76,000	0	0	Jonathan James	Nil
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2018/19 Budget - Capital Bids

Page 2 of 4

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Implementation of the 'Single Customer Account' portal will mean Cambridge's citizens will soon be able to access a range of critical services from a single, integrated online portal. Customers will be able to Book It, Track It, Report It and Pay It. Year one costs include implementation. With regard to year three it is expected that customer channel shift will have resulted in a significant reduction in customer contacts to enable the service to be self-financing from existing budgets through the reduction of staffing costs. Further years' savings are possible, but it is difficult to predict these as this will be based on further customer uptake of the online portal. Low

C4069	Council Anywhere - Desktop Transformation	0	400,000	96,000	0	0	Jonathan James	Nil
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This bid is for investment in a Desktop Transformation programme to provide a platform fitting the ICT Strategy, to support the work of the council and provision of its services, improving efficiency and support. This solution would standardise the desktop hardware, Office software and the network environment needed to control and secure the desktop infrastructure. The bid includes costs for hardware, software, licences and the professional costs in order to reconfigure the underlying network. None

C4117	Adaptations to Riverside Railings	0	100,000	0	0	0	Alistair Wilson	Nil
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A feasibility study was completed in March 2017 and concludes that at this point in time it would appear feasible to make adaptations to the riverside wall and parapet rail to enable safe access for up to seven licensed vessels (moored generally in pairs from three floating pontoons accessed by ladders from street level with lockable gates, plus one from the Stourbridge Common river bank adjacent to the end of the retaining wall). This was subject to further detailed site investigation, design work, construction estimates and liaison with principal stakeholder organisations, which has now been completed. Low

Total Capital Bids in Finance & Resources	0	1,028,000	172,000	0	0			
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Strategy & Transformation

C4041	Cambridge City CCTV infrastructure procurement	80,000	521,000	0	0	0	Joel Carre	+L
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Invest in City Council CCTV infrastructure as follows: a) Replacement of beyond economic repair/ obsolete CCTV cameras (60 x public space and 43 x public car park) with new Digital IP High Definition cameras; b) Replacement of obsolete digital CCTV recording and software platform with new Network Video Recording and suitable software platform and client PC operator machines; and c) Upgrade CCTV radio network so that it is resilient and uses an OFCOM licenced frequency to prevent interference and ensure stable usage in line with operational requirements. Of the total associated investment, £66K is directly attributable to Parking Service CCTV infrastructure. None

C4142	Mill Road depot development - capital contribution	0	5,760,000	0	0	0	Fiona Bryant	Nil
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2018/19 Budget - Capital Bids

Page 3 of 4

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

A capital contribution of £5,760k is proposed to support the redevelopment of the council's Mill Road depot, None principally for affordable and market housing. This development will be delivered by CIP providing the council with a capital receipt for the land and a projected surplus on the scheme. [Funded by temporary borrowing]

C4144	Mill Road depot redevelopment -Equity Loan to CIP	950,000	1,250,000	1,000,000	2,500,000	0	Fiona Bryant	Nil
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As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment None Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing]

C4145	Mill Road depot redevelopment - Development Loan to CIP	0	1,550,000	9,200,000	0	0	Fiona Bryant	Nil
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As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment None Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing]

Total Capital Bids in Strategy & Transformation

1,030,000	9,081,000	10,200,000	2,500,000	0
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Streets & Open Spaces

C4046	S&OS and shared waste service review - ICT management system	0	453,000	0	0	0	Joel Carre	+L
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Invest in single, new integrated ICT operational management system for S&OS, the shared waste service and None Hunts DC, including mobile working technologies. Currently, S&OS has no such digital operational management system in place. The City Council has Contender for their waste system and SCDC have the Whitespace system. To increase efficiency of the shared waste service one system needs to be in place.

C4112	Redevelopment of Silver Street Toilets	0	283,000	283,000	0	0	John Richards	+M
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The toilets were originally constructed in 1985 and have received no modernisation. The condition of the None toilets is aesthetically poor with the underground facilities reported wet under foot during heavy rainfall. Tourism to the city has seen a large rise in numbers which has also placed considerable demand on the current provision situated at an important historical destination. The current proposal is an opportunity to bring the toilets up to current standards befitting the city with an emphasis on preserving the integrity and character of its location.

C4116	Lammas Land car parking infrastructure	0	30,000	0	0	0	Anthony French	Nil
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2018/19 Budget - Capital Bids

Page 4 of 4

Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

To purchase, deliver and install a pay machine to collect car parking charges at Lammas Land car park to None encourage short term stay parking for the park users and discourage long-term stay parking for visitors attending city centre activities. Works also to include relining of car park and bays, improving the surface, displaying signage, purchasing and installing CCTV, fitting suitable lighting. [Linked to the Increased Income proposal 114044.]

Total Capital Bids in Streets & Open Spaces

0	766,000	283,000	0	0
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Total Capital Bids

1,056,000	11,966,000	10,655,000	2,500,000	0
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Report Total

1,056,000	11,966,000	10,655,000	2,500,000	0
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Capital Projects Requiring Funding From Reserves

(2 pages)

Budget Setting Report - Appendix E (b)

2018/19 Budget

<----- Funding Required ----->

<----- Project Total ----->

Ref	Project	Climate Change Indicator	Priority score	2017/18	2018/19	2019/20	2020/21	2021/22	Poverty rating	Linked to / Funding / Comments	2017/18	2018/19	2019/20	2020/21	2021/22
General Fund															
C4010	Barnwell Business Park remedial works to the roofs	Nil	N 0.6		90,000				None			90,000			
C4011	Refurbishment of the Leaded Windows in the Large Hall - Guildhall	Nil	Y 1.1		101,000				None			101,000			
C4012	Resealing the roof at Robert Davies Court	Nil	N 0.6		177,000				None			177,000			
C4041	Cambridge City CCTV infrastructure procurement	+L	N 3.9	80,000	521,000				None		80,000	521,000			
C4046	S&OS and shared waste service review - ICT management system	+L	N 2.1		453,000				None	Approved by CPB 5 Dec 2017		453,000			
C4065	My Cambridge City' Account - Online Customer Portal	Nil	N 2.1		160,000	76,000			Low			160,000	76,000		
C4069	Council Anywhere - Desktop Transformation	Nil	Y 1.3		400,000	96,000			None			400,000	96,000		
C4083	Vehicle and equipment fleet replacements 2018/19	+L	Y 1.7						None	Funding: R & R		1,091,000			
C4112	Redevelopment of Silver Street Toilets	+M	Y 2.6		283,000	283,000			None			283,000	283,000		
C4116	Lammas Land car parking infrastructure	Nil	N 2.6		30,000				None			30,000			
C4117	Adaptations to Riverside Railings	Nil	N 1.3		100,000				Low	Approved by CPB 5 Dec 2017		100,000			

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Capital Projects Requiring Funding From Reserves

(2 pages)

Budget Setting Report - Appendix E (b)

2018/19 Budget

<----- Funding Required ----->

<----- Project Total ----->

Ref	Project	Climate Change Indicator	Priority score	2017/18	2018/19	2019/20	2020/21	2021/22	Poverty rating	Linked to / Funding / Comments	2017/18	2018/19	2019/20	2020/21	2021/22
C4142	Mill Road depot development - capital contribution	Nil							None	Funding: temporary borrowing		5,760,000			
C4143	The purchase of brake rollers for the garage at Waterbeach	Nil		26,000					None		26,000				
C4144	Mill Road depot redevelopment -Equity Loan to CIP	Nil							None	Funding: temporary borrowing	950,000	1,250,000	1,000,000	2,500,000	
C4145	Mill Road depot redevelopment - Development Loan to CIP	Nil							None	Funding: temporary borrowing		1,550,000	9,200,000		
Total Funding Required from Reserves : General Fund				106,000	2,315,000	455,000					1,056,000	11,966,000	10,655,000	2,500,000	

Capital approvals since MTFS Oct 2017

Ref.	Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
SC654	Pre-planning development costs for Silver Street toilets capitalised	48					
	Urgent approval:						
SC612	Park St car park control equipment	145	-	-	-	-	-
	Section 106 miscellaneous:						
PR031g	Milton Road Library Community meeting space (S106)	50	50	-	-	-	-
PR033s	Histon Road rec play area: paths, surfacing and landscaping (S106)	40	-	-	-	-	-
PR031s	Nun's Way rec ground: mini climbing dome (S106)	27	-	-	-	-	-
PR032q	Upgrade Nightingale Avenue play area (S106)	60	-	-	-	-	-
PR040t	Public art grant for Cambridge Live - Colours in our community (S106)	18	-	-	-	-	-
PR040q	To the river: artist in residence (S106)	120	-	-	-	-	-
	Total S106	315	50	-	-	-	-

Appendix E (d)

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)
Capital-GF Projects								
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)	A Wilson	8	0	0	0	0	0
PR031g	Milton Rd Library Community Meeting Space (S106)	J Hanson	50	50	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
PR031s	Nun's Way Rec Ground: mini climbing dome (S106)	A Wilson	27	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
PR032q	Upgrade Nightingale Avenue play area (S106)	A Wilson	60	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
PR033s	Histon Road Rec play area: paths, surfacing and landscaping (S106)	A Wilson	40	0	0	0	0	0

Appendix E (d)

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)
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
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)	N Black	1	0	0	0	0	0
PR040i	Public art grant - History Trails (S106)	N Black	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)	N Black	5	0	0	0	0	0
PR040n	Public art grant - public art at Humberstone Road (S106)	N Black	1	0	0	0	0	0
PR040o	Public art grant - 'The place where we stand' (S106)	N Black	3	0	0	0	0	0
PR040q	To the River - artist in residence	C Littlechild	120	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
PR040t	Public art grant for Cambridge Live - Colours in our Community (S106)	N Black	18	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

Appendix E (d)

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)
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
PR050c	Refurnishing Guildhall 4th floor (OAS)	L Barlow	42	0	0	0	0	0
PR050d	Mobile working (OAS Phase II)	W Barfield	99	0	0	0	0	0
PR050e	Cowley Road Compound ex-Park and Ride site (OAS)	W Barfield	566	0	0	0	0	0
PR050f	Guildhall welfare improvements (OAS)	W Barfield	40	174	0	0	0	0
PR050g	Office optimisation (OAS)	W Barfield	0	275	0	0	0	0
SC433	Snowy Farr Memorial Artwork (S106)	A Wilson	0	0	0	0	0	0
SC548	Southern Connections Public Art Commission (S106)	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

Appendix E (d)

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)
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	715	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
SC627	Guildhall Large Hall Windows refurbishment	A Muggeridge	0	101	0	0	0	0
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	W Barfield	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
SC651	Shared ICT waste management software	J Carre	0	453	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

Appendix E (d)

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)
SC654	Redevelopment of Silver Street toilets	D O'Halloran	48	283	283	0	0	0
SC655	Resealing the roof at Robert Davies court	A Muggeridge	0	177	0	0	0	0
SC656	Barnwell Business Park remedial work to the roofs	A Muggeridge	0	90	0	0	0	0
SC658	Cambridge City CCTV infrastructure	J Carre	80	521	0	0	0	0
SC659	My Cambridge City online customer portal	J James	0	160	76	0	0	0
SC660	Council Anywhere - desktop transformation	J James	0	400	96	0	0	0
SC661	Adaptations to riverside railings	A Wilson	0	100	0	0	0	0
SC670	Lammas Land car parking infrastructure	A French	0	30	0	0	0	0
SC671	Mill Road depot development - capital contribution	F Bryant	0	5,760	0	0	0	0
SC672	Mill Road depot redevelopment - development loan to CIP	F Bryant	0	1,550	9,200	0	0	0
SC673	Brake rollers for Waterbeach garage	D Cox	26	0	0	0	0	0
SC674	Mill Road depot redevelopment - equity loan to CIP	F Bryant	950	1,250	1,000	2,500	0	0
Capital-GF Projects			10,364	11,735	10,831	2,550	0	0
Capital-Programmes								
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	1,091	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

Appendix E (d)

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)
PR039	Minor Highway Improvement Programme	J Richards	75	30	0	0	0	0
PR050	Office Accommodation Strategy Phase 2 (OAS)	L Barlow	0	473	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
Capital-Programmes			23,834	1,864	0	0	0	0
Capital-GF Provisions								
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 (\$106)	C Conlon	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 Conlon	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
Capital-GF Provisions			5,700	262	96	816	61	0
Total GF Capital Plan			39,898	13,861	10,927	3,366	61	0

Appendix E (e)

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)
Capital-GF Under Development								
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
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
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
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
UD041e	[Part A] Equipping new community centre at Darwin Green (S106)	S Roden	25	0	0	0	0	0
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

Appendix E (e)

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)
UD042f	[Part A] Public realm improvements on Sidney Street (S106)	A Wilson	43	0	0	0	0	0
UD050f	Guildhall furniture (OAS)	W Barfield	0	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 Hemingway	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	280	0	0	0	0	0
UD626	[Part A] Improvements to Netherhall School sports hall (S106)	I Ross	169	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
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
UD662	[Part A] Shared Planning software and implementation	E Linney	0	100	0	0	0	0
Capital-GF Under Development			3,001	19,126	2,695	1,550	0	0

Appendix E (e)

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 F

Principal earmarked and specific funds

Fund	Balance at 1 April 2017 £000	Anticipated contributions £000	Forecast expenditure £000	Forecast balance 31 March 2023 £000
Greater Cambridge Partnership (formerly City Deal) Investment and Delivery Fund	(5,151)	(10,965)	16,116	0
Sharing Prosperity Fund	(594)	(500)	742	(352)
Climate Change Fund	(250)	(616)	224	(642)
Asset Replacement Fund ¹	(2,753)	(6,000)	8,097	(656)
Bereavement Services Trading Account	(863)	(1,000)	1,863	0
Development Plan Fund ²	(145)	(1,002)	1,147	0
Office accommodation strategy fund	(2,582)	(1,534)	4,116	0
Invest for Income	(7,500)	(500)	8,000	0
A14 Mitigation Fund	0	(1,505)	1,500	(5)
General Fund (GF) development fund (new)	0	(829)	0	(829)
Total	(19,838)	(24,451)	41,805	(2,484)

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

¹ 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.

² The Development Plan Fund will be a joint fund with SCDC from 1 February 2018 and the basis of cost allocation is unknown at this time because the Memorandum of Understanding is not yet complete.

Cambridge City Council Equality Impact Assessment (EqIA)



This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on CityNet. For specific questions on the tool, email Helen Crowther, Equality and Anti-Poverty Officer at equalities@cambridge.gov.uk or phone 01223 457046. Once you have drafted the EqIA please send this to equalities@cambridge.gov.uk for checking. For advice on consulting on equality impacts please contact Graham Saint, Strategy Officer, at (graham.saint@cambridge.gov.uk or 01223 457044).

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

General Fund Budget 2018/19

2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)
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The BSR will be published with the papers for Strategy and Resources Committee on 3 rd January 2018 here: https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=159&MId=3292&Ver=4

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

To enable the City Council to set a balanced budget for 2018/19 that reflects the Council's vision and takes into account councillors' priorities in proposals for achieving the savings required.
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This EqIA assesses the equality impacts of the General Fund element of the City Council's budget.

An EqIA has been completed for budget proposals that are likely to result in significant service changes. This EqIA sets out the material information from EqIAs attached to individual budget bids. Some EqIAs identify very small or neutral impacts and therefore have not been
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included and some projects are continuations of existing work.

This approach is intended to ensure that councillors have access to the relevant information on the equality impact of budget proposals at the point when they are being asked to make a decision. This will enable councillors to discharge their Duty under the Equality Act 2010.

The 2018/19 budget bids considered as part of this impact assessment are listed below:

B4006 - Increased capacity to produce video by Corporate Strategy service:

The purpose of this bid is to increase the council's capacity to produce videos that help to explain its services to residents and other audiences. These videos would be published via the council's social media channels and website, serving to increase awareness of, and access to, the council's services. Bid funds would be used to buy external professional expertise and equipment and/or increase the Council's in-house capabilities.

URP4037 - Anti Social Behaviour (ASB) work and Street Life Coordinator post:

A one-year only bid of £59.8k was approved in 2017/18 initially to allow a full review of the ASB service, to identify future work levels and priorities for the Council. The review has been carried out and a number of workload areas have been identified that are non-HRA and that must be funded by the General Fund if they are to continue. They include two days per week required to do case work on street life community issues previously funded by the PCC, and essential to the overall strategy of the Street Life Working Group. The net bid for non-HRA work is £26.2k for 2017/18 and will be reviewed in 2020.

B4007 - Future Contribution to the Sharing Prosperity Fund:

This makes a further contribution to the Sharing Prosperity Fund. The funding will support the delivery of new or extended projects which will contribute to the delivery of the objectives of the Anti-Poverty Strategy. Potential projects are likely to include: extension of the existing Fuel and Water Poverty Officer post; continuing existing work to promote digital access for residents on low incomes and in poverty; continuation of the Living Wage campaign; providing a skilled outreach advisor based at JobCentre Plus to support households impacted by the roll-out of Universal Credit in Cambridge; and continuing to fund an outreach advisor in health centres to provide financial and debt advice for residents experiencing mental health issues.

B4044 - S&OS service review – Lammas Land Car Park:

To purchase, deliver and install a pay machine to collect car parking charges at Lammas Land car park to encourage short term stay parking for the park users and discourage long-term stay parking for visitors attending city centre activities (currently there is no charging scheme in place). Works also to include relining of car park and bays, improving the surface, displaying signage, purchasing and installing CCTV, fitting suitable lighting.

C4041 - Cambridge City CCTV infrastructure procurement:

Invest in City Council CCTV infrastructure as follows: a) Replacement of beyond economic repair/ obsolete CCTV cameras (60 x public space and 43 x public car park) with new Digital IP High Definition cameras; b) Replacement of obsolete digital CCTV recording and software platform with new Network Video Recording and suitable software platform and client PC operator machines; and c) Upgrade CCTV radio network so that it is resilient and uses an OFCOM licenced frequency to prevent interference and ensure stable usage in line with operational requirements. Of the total associated investment, £66K is directly attributable to Parking Service CCTV infrastructure.

X4081 - Increase staffing capacity in response to Homelessness Reduction Act:

As a result of the Homelessness Reduction Act, there is an increased statutory responsibility in respect of homeless applications which will result in an increased administrative burden for the authority. This bid is for 6 FTE additional staff, with the expectation that the first two years of costs will be met from the Flexible Homeless Support Grant. The plan is for an increase in staffing which will be externally funded for at least the first two years. Staffing will be reviewed once the new legislation has been in place for 12 months, as part of a service review, and to consider future external funding availability.

B4040 - Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour:

The proposal is to introduce a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour. For employees the weighting will be paid in addition to salary and the Living Wage supplement, to bring the hourly rate to an equivalent of £10 per hour. For agency workers the weighting will apply in addition to current hourly rates and the Living Wage arrangements. The weighting will be variable, depending upon the current hourly rate and the Living Wage supplement payable at that time.

C4065 - My Cambridge City' Account - Online Customer Portal:

Implementation of the 'Single Customer Account' portal will mean Cambridge's citizens will soon be able to access a range of critical services from a single, integrated online portal. Customers will be able to Book It, Track It, Report It and Pay It. Year one costs include implementation. With regard to year three it is expected that customer channel shift will have resulted in a significant reduction in customer contacts to enable the service to be self-financing from existing budgets through the reduction of staffing costs. Further years' savings are possible, but it is difficult to predict these as this will be based on further customer uptake of the online portal.

C4112 – Redevelopment of Silver Street Toilets:

The toilets were originally constructed in 1985 and have received no modernisation. The condition of the toilets is aesthetically poor with the underground facilities reported wet under foot during heavy rainfall. Tourism to the city has seen a large rise in numbers which has also placed considerable demand on the current provision situated at an important historical destination. The current proposal is an opportunity to bring the toilets up to current standards befitting the city with an emphasis on preserving the integrity and character of its location.

B4110 – Support for asylum seekers and refugees:

A survey was commissioned with Cambridge Ethnic Community Forum to get a better understanding of asylum seekers and refugees in Cambridge not included in the Government schemes under which the Council is resettling refugees. The survey also sought to learn what issues and support is required. This 2 year funding bid will be used to commission services to help meet the needs identified, for example;

- Providing effective information and translation services
- Tackling economic and social marginalisation
- Providing assistance with immigration status
- Finding accommodation.

The funding is needed in 2018/19 as 2017/18 funding via grant, and via Home Office funding to provide advice for VNPR programme refugees no longer applies. The new service will be

reviewed mid- way through year 2 to establish whether further support is required in future years.

II4122 – Introduction of hire charge for Shopmobility equipment:

The County Council no longer provide a grant which was £50,770 per year to support this service. It is proposed to introduce charges based around a membership scheme with discounts for Cambridge residents. Most shopmobility schemes around the country already are subject to charges. The system of allowing up to 3 hours free parking to users of the service would remain unchanged.

B4014 - Funding to support the Housing Development Agency:

The HDA, in conjunction with the newly created Cambridge Investment Partnership (CIP), are driving forward delivery of the 500 new Council homes over the next four years. This bid is for additional resourcing of the staff team which needs to be at full capacity in 2018/19 to ensure delivery from 2019/20 onwards.

C4117 – Adaptations to Riverside Railings:

A feasibility study was completed in March 2017 and concludes that at this point in time it would appear feasible to make adaptations to the riverside wall and parapet rail to enable safe access for up to seven licensed vessels (moored generally in pairs from three floating pontoons accessed by ladders from street level with lockable gates, plus one from the Stourbridge Common river bank adjacent to the end of the retaining wall). This was subject to further detailed site investigation, design work, construction estimates and liaison with principal stakeholder organisations, which has now been completed. This project relates to the River Moorings Review for which an EqlA was produced.

II4129 – Park Street Original Assumptions for redevelopment of site added back to the budget:

Given there is now clarity on the short term future of Park St car park, this bid is for the increased income year on year for the next three years or until any development begins.

C4142 – Mill Road depot development – capital contribution:

A capital contribution of £5,760k is proposed to support the redevelopment of the council's Mill Road depot, principally for affordable and market housing. This development will be delivered by CIP providing the council with a capital receipt for the land and a projected surplus on the scheme. [Funded by temporary borrowing]

C4144 – Mill Road depot redevelopment –Equity Loan to CIP:

As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing]

C4145 – Mill Road depot redevelopment - Development Loan to CIP:

As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing]

4. Responsible Service

The Finance service managed the budget process, but a range of Council Services are responsible for the individual bids included in this EqIA.

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

- Residents of Cambridge City
- Visitors to Cambridge City
- Staff

Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here): N/a

6. What type of strategy, policy, plan, project, contract or major change to your service is this?

New, major change, minor change

7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)

- No
- Yes (Please provide details): This is an assessment of the Council's budget and therefore covers all of our services. The budget also affects some of the Council's partnership working, notably with Cambridgeshire Constabulary, Cambridgeshire County Council and South Cambridgeshire District Council.

8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?

The General Fund Budget Proposals for 2018/19 will form part of the Budget Setting Report, which will be presented to Strategy and Resources Scrutiny Committee on 22 January 2018 and Council on 22 February 2018.

9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?

This information is based on feedback from Council Officers that lead on the individual Budget Bids, and EqIAs they have produced.

10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

(a) Age - Any group of people of a particular age (e.g. 32 year-olds) , or within a particular age range (e.g. 16-24 year-olds) – in particular, please consider any safeguarding issues for children and vulnerable adults

B4007 - Future Contribution to the Sharing Prosperity Fund (SPF): The Digital Access project, which is likely to be funded through the SPF, will have a positive impact for older people who are most likely to be digitally excluded. Also, one element of the Digital Access work focuses explicitly on increasing digital access for residents on low incomes aged over 65.

B4044 - S&OS service review - Lammas Land Car Park: It is anticipated that the changes will benefit families with children, and older people who use the nearby Lammas Land park that is close to the car park. The car park charging scheme will be designed to minimise impact on Lammas Land visitors and deter long stay parking associated with City Centre parking. For those staying longer than three hours the car parking price is inflated. The car park is particularly busy during the summer school holidays and weekends between April and September when the splash pad is open that is used by families. During these months the bowls club facility located on the park is accessed by many adults aged 60 and above. Deterring longer stay parking should make the facility more accessible for these groups as there will space available more regularly than at present whereby spaces are blocked for hours on end by long stay.

URP4017 and X4081 - Increase staffing capacity in response to Homelessness Reduction Act: The Homelessness Reduction Act places new responsibilities on local authorities to provide advice and assistance to prevent and endeavour to relieve homelessness, regardless of priority need, at an earlier stage. In increasing our capacity to respond to these new responsibilities, these two budget bids are likely to have a positive impact on younger people who are less likely to fall into a priority need¹ group unless they are aged 16 or 17, or are care leavers aged 18 to 21.

¹ For information on priority need categories see:
http://england.shelter.org.uk/housing_advice/homelessness/rules/priority_need

C4065 - My Cambridge City' Account - Online Customer Portal: Older people are less likely to use internet, but the introduction of the online portal will be unlikely to have an impact on their current access to our services. Recent research² shows that virtually all adults aged 16 to 34 years were recent internet users (99%), in contrast with 41% of adults aged 75 years and over. However, use of the internet amongst older people is increasing, as for instance, recent internet use among women aged 75 and over had almost trebled from 2011.

If this change is implemented, a number of measures will mitigate any negative impact on older people:

- It will be rolled out alongside our digital inclusion strategy that already has a number of initiatives to promote and help a number of key target groups use the internet, including older people.
- Face-to-face and phone advisers will be available to guide customers through some web use. This means that whilst doing a transaction, if a customer needs help then a “live” conversation with a phone adviser is possible to assist them at that point. Web chat will also be available to assist customers in the future.
- Customers will continue to be able to communicate with customer service advisors by telephone, email or face-to-face.

B4040 - Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour: This proposal will increase the wages of lower paid council workers, who fall within all age groups, with the exception of under 18 year olds. However, there will be a particularly positive impact for older and younger workers, especially the over 65 age group and 19-24 age group, as the numbers of employees in these age groups that will benefit are higher than numbers in the overall workforce profile. The breakdown related to age is as follows:

Age	% of all employees	% paid Under £10
18 or Under	0	0
19-24	1.97	9.68
25-34	13.44	16.13
35-44	26.39	12.9
45-54	33.91	22.58
55-64	21.33	12.9
65 and over	2.96	25.81

C4112 – Redevelopment of Silver Street Toilets: Aboveground provision on the existing site is the preferred solution for the redevelopment with existing belowground facilities retained in order to maximise provision. Older people, who are more likely to have mobility issues will benefit from having toilets situated above ground rather than the current arrangement.

B4110 – Support for asylum seekers and refugees: This service will have a positive impact on the welfare of asylum seekers and refugees of all ages, particularly children and vulnerable adults, including those with limited English Language.

² Office for National Statistics (ONS) publication Internet Access:
<https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/bulletins/internetaccesshouseholdsandindividuals/2017>

II4122 – Introduction of hire charge for Shopmobility equipment: Elderly and vulnerable adults will still be able to use the full range of Shopmobility services, despite the cessation of subsidy from the county council. Nevertheless, elderly and vulnerable adults with limited financial income may not be able to use the service as frequently due to the introduction of charges.

Older people can claim Attendance Allowance to help with personal care if they have a physical or mental disability and are aged 65 or over. However, this is not intended to cover mobility needs so the charges are more likely to have a negative impact on them than other age groups. Additionally, the prevalence of disability rises with age: in 2012/13, 7% of children were disabled (0.9 million), compared to 16% of adults of working age (6.1 million), and 43% of adults over state pension age (5.1 million)³.

People aged 16 to 64 with long-term illnesses and disabilities will arguably be affected less as they can claim Personal Independence Payment (PIP) or may be on Disability Living Allowance (DLA). (PIP is replacing DLA but some people will not yet have migrated onto PIP.) PIP is a benefit that helps disabled people with the extra costs of a living with long-term health condition or disability, and is for people aged 16 to 64 and is gradually replacing DLA. Both benefits are designed to support individual's independence for both care and mobility. In the case of scooter hire and shopping escorts this could be for payment of services.

Parents or carers of children aged under 16, can be in receipt of Disability Living Allowance (DLA) for children in order to help with the extra costs of looking after a child who is under 16 and who has difficulties walking or needs more looking after than a child of the same age who doesn't have a disability.

C4041 - Cambridge City CCTV infrastructure procurement: All age groups benefit from public CCTV operations by local authorities however vulnerable groups, like children and older people, even more so. CCTV can be used to help locate/identify people who may be in difficulty, including vulnerable people.

B4014 - Funding to support the Housing Development Agency (10063): The plan addresses the strategic need for affordable housing in the city including impacts on applicants registered on Homelink. The law requires us to prioritise applications for social housing for homeless people and those at risk of homelessness from priority need groups including 16 to 27 year-olds, care leavers aged 18 to 20, families that have children aged or aged below 19 and in full-time education or training, and those classed as vulnerable due to old age. In general we do not feel there are any specific age equality or safeguarding issues as a consequence of the new build programme but needs of specific age groups' can be met and have been met previously, such as at Water Lane and the forthcoming Anstey Way where a proportion of those schemes are targeted at over 55's.

C4142 – Mill Road depot development – capital contribution; C4144 – Mill Road depot redevelopment –Equity Loan to CIP; and C4145 – Mill Road depot redevelopment - Development Loan to CIP: The proposals would enable the delivery of a new YMCA facility that works with young adults (age 16-25) to support them with accommodation and services and prepare them for independent living. The new facility proposed at Mill Road will replace the current YMCA facility at Gonville Place, as well as offering additional bedspaces to support more young people, and will provide more community facilities available to local residents. (For information on support that the current facility provides see: <https://ymcatrinitygroup.org.uk/>).

³ Papworth Trust, Disability in the United Kingdom 2016: Facts and Figures
<http://www.papworthtrust.org.uk/sites/default/files/Disability%20Facts%20and%20Figures%202016.pdf>

(b) Disability - A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities

URP4037 - Anti Social Behaviour work and Street Life Coordinator post: Continued funding for this post will have a positive impact related to disability. The loss of the Street Life Co-ordinator would negatively impact on disability, as a significant proportion of people within the street life community have disabilities. The Street Life Co-ordinator provides a Single Point of Contact (SPOC) for street life issues in Cambridge, and promotes and co-ordinates the Street Aid project, which provides grants to the street life community.

B4006 - Increased capacity to produce video by Corporate Strategy service: This proposal could have a potential positive impact. Video provides an alternative means to communicate about Council services, which may be more accessible to some people with learning disabilities.

B4007 - Future Contribution to the Sharing Prosperity Fund (SPF): It is likely that this bid will have a positive impact on disabled people through the following projects that have been identified for potential funding:

- The Digital Access projects that have been identified for SPF funding will have a positive impact for disabled people, who are more likely to be digitally excluded than other residents. Recent research shows that 22% of disabled adults had never used the internet in 2017 compared to 11% of the population as a whole.
- Fuel and Water Poverty Officer: This project can help prevent long-term health issues. It is to continue the existing SPF-funded role of the Fuel and Water Poverty Officer for an additional 2 years. The Fuel and Water Poverty Officer supports residents who are struggling to pay their energy bills or cannot keep their home at a sufficient internal temperature.
- Outreach in health centres: To contribute towards the continued funding of a full-time generalist advisor, employed by Cambridge Citizens Advice Bureau. The advisor will offer money management and income maximisation support to patients presenting with mild to moderate mental health problems (such as anxiety or stress) resulting from debt, employment and other welfare rights matters.

C4041 - Cambridge City CCTV infrastructure procurement: This proposal will have a positive impact for people with disabilities. CCTV can be used to help locate/identify people who may be in difficulty, including vulnerable people such as people with learning disabilities and mental health issues. Although recorded hate crime figures remain comparatively low in Cambridge City (20 reported incidents per month on average), disabled people are especially likely to be victims of hate crime. Hate crime motivated by hostility towards disability has increased the most over the past year compared to other forms of hate crime. Improved CCTV can ensure these incidents are dealt with more effectively by the police. Rapid response can also be initiated for personal safety.

URP4017 and X4081 - Increase staffing capacity in response to Homelessness Reduction Act: These two budget bids help us in responding to our new responsibilities under the Homelessness Reduction Act 2017. This means the budget bids are likely to have a positive impact for disabled people. Local authorities need to provide advice on preventing and relieving homelessness, and households' rights, to all persons. In particular, these services must be designed with specific vulnerable groups in mind, including persons suffering from mental illness or impairment. Also, the council is signed up to Disability Confident and will undertake necessary actions in relation to our Level 2 status with regards to recruiting and retaining people with disabilities in the new roles.

C4065 - My Cambridge City' Account - Online Customer Portal: The impact of this proposed change will be mixed for people with disabilities. For people with mobility issues, the change could be positive, as it would provide access to services from home, potentially reducing the need to travel to the Customer Service Centre. However, people with disabilities are less likely to have access to the internet than other groups of people. A number of steps will be taken to mitigate any negative impact:

- The Council is implementing a range of projects through its digital access strategy which will support people with disabilities to get online
- The Council's Web services are devised with assistive technologies in mind for example screen size/definition enhancement. These features are increasingly available on personal devices. See the Council's website for more details: <https://www.cambridge.gov.uk/accessibility>
- Face-to-face and phone advisers will be able to guide customers through some web use. This means that while doing a transaction, if a customer needs help then a "live" conversation with a phone adviser is possible to assist them at that point. Web chat will also be available to assist customers in the future.

C4112 – Redevelopment of Silver Street Toilets: The project is expected to have a significant positive impact on the usability of the facilities in relation to accessibility for people with mobility disabilities, especially by situating a number of easily accessible toilets at ground level. The budget bid does not include funding for a fully specified Changing Places toilet but we are exploring whether we can come up with a solution to this going forward that would incorporate the crucial elements of a Changing Places toilet within the set budget. (Changing Places toilets differ from standard disabled toilets in having extra space and features to help people with severe disabilities such as having a height adjustable changing bench and a tracking hoist system).

B4110 – Support for asylum seekers and refugees: This service will have a positive impact as it will provide signposting for asylum seekers and refugees to treatment and support for health issues where required.

II4122 – Introduction of hire charge for Shopmobility equipment: Disabled people will still be able to use the full range of Shopmobility services that are currently available, despite the cessation of subsidy from the county council. However, disabled people with limited financial income may not be able to use the service as frequently due to the introduction of charges. Nevertheless, many of the Shop-mobility users are likely to be in receipt of either Disability Living Allowance (DLA) or Personal Independence Payments (PIP) that help with the extra costs of a long-term health condition or disability for people aged 16 to 64. Both benefits are designed to support individual's independence for both care and mobility. PIP is gradually replacing DLA. In the case of scooter hire and shopping escorts this could be for payment of services.

B4014 - Funding to support the Housing Development Agency (10063): The plan addresses the strategic need for affordable housing in the city. Disability is a priority under Homelink bandings and related to priority need policy for homelessness applications. In order to meet needs related to disability, all new homes will meet Part M of the Building Regulations. A proportion of those homes (determined either by Planning requirement, re-provision or locally identified need) will be built either as accessible homes or wheelchair standard homes (2% of the population are wheelchair users).

C4117 – Adaptations to Riverside Railings: In making the adaptations as part of this project, improvements around access for the vessels will be considered in relation to reasonable adjustments that would be necessary for people with disabilities impacting on their mobility.

II4129 – Park Street Original Assumptions for redevelopment of site added back to the budget: Currently the car park does not meet legal requirements around disability access related to the lifts. The lifts are narrow, but wheelchairs can fit inside them but it However, it can be difficult for wheelchair users to access the car park once they leave the lift on the upper levels, as there is no disabled ramp from the kerb to the car park. The budget bid around maintaining the car park will not address this issue. We have a rolling 5 year holding repair programme of works in place and up until a decision can be made on the future of the car park. The holding repairs are for maintaining the car park, keeping it operational and safe.

The negative impact of this issue is mitigated by the fact that parking for disabled people (7 spaces) is solely available on the ground floor, and that all pay stations are based on the ground floor. This means that the lifts are not required for people with disabilities if they have Blue Badges.

C4142 – Mill Road depot development – capital contribution; C4144 – Mill Road depot redevelopment –Equity Loan to CIP; and C4145 – Mill Road depot redevelopment - Development Loan to CIP: The Mill Road development would meet the requirements of the Council to deliver accessible housing. A number of the new homes will be designed specifically to meet wheelchair accessible standards (the number is yet to be determined) for both private sale and social rented. There is also an opportunity to work with potential residents and their occupational therapists to meet specific needs and requirements of future residents with bespoke property adaptations.

(c) Sex – A man or a woman.

URP4017 and X4081 - Increase staffing capacity in response to Homelessness Reduction Act:

These two budget bids help us in responding to our new responsibilities under the Homelessness Reduction Act 2017. The Homelessness Reduction Act places new responsibilities on local authorities to provide advice and assistance to prevent and endeavour to relieve homelessness, regardless of priority need, at an earlier stage. Men are less likely to fit into a priority need category, ⁴ as in terms of homeless applications, single parent households still predominantly contain a female in the parental role⁵. The 'priority need blind' element of the new legislation will benefit men and have a positive impact.

The provision for local authorities to be able to discharge homelessness prevention or relief duties into the private rented sector with 6 month tenancies presents a risk that women with dependent children may be disproportionately affected and may be housed in less secure tenancies outside of Cambridge. Therefore, there could be a net negative impact on women, when compared with the current status quo. However, the new Act means it is likely that authorities will relieve homelessness before making an intentional homeless decision so this may mitigate the overall impact.

⁴ For information on priority need categories see:

http://england.shelter.org.uk/housing_advice/homelessness/rules/priority_need

⁵ Office for National Statistics (ONS) publication Families and Households

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2017>

B4040 - Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour: It is anticipated that 42% of the employees that would benefit from this proposal would be female and 58% would be male. This is broadly in line with the gender profile of City Council staff, which is 48% female and 52% male.

C4112 – Redevelopment of Silver Street Toilets: In designing the redevelopment the council is researching the impact of having gender neutral cubicles as a replacement for existing sex segregated toilets. It will investigate the advantages of unisex urinals, as there is evidence that women are using the male urinal facility of Silver Street toilets. In designing the redevelopment, the council will also assess the merits and potential problems associated with shared washing facilities in consideration of perceptions of men and women around safety.

I4122 – Introduction of hire charge for Shopmobility equipment: There are more disabled women than men in the UK. In 2012/13, there were 6.4 million disabled women (21%) and 5.5 million disabled men (18%) . This has remained broadly stable over time. Therefore, women are more likely to be impacted by the Shopmobility changes than men. It is proposed that people will be charged for the service, so they may use it less. However, the council could not afford to run the service if we did not charge for it, and, with charges, the service would run at the same capacity as is currently the case.

B4014 - Funding to support the Housing Development Agency (10063): The plan addresses the strategic need for affordable housing in the city. No specific gender issues have been identified, although it is worth noting that most of those fleeing domestic abuse for whom we have a statutory responsibility to rehouse will be women. This accounted for 3% of lettings last year. In domestic abuse cases the location where people are housed can be an important factor; for example away from the perpetrator or near to a family support network.

(d) Transgender – A person who does not identify with the gender they were assigned to at birth (includes gender reassignment that is the process of transitioning from one gender to another)

C4041 - Cambridge City CCTV infrastructure procurement: Although recorded hate crime figures remain low in Cambridge City (20 reported incidents per month on average), Transgender residents tend to be more vulnerable to harassment and violence associated with hate crime. In England and Wales this has increased by 45% in the past year. Improved CCTV could help the police to respond to these events effectively. Rapid response can also be initiated for personal safety.

C4112 – Redevelopment of Silver Street Toilets: The project is expected to have a positive impact, by including scope to provide individual gender-neutral cubicles as a replacement for the existing segregated facilities at ground level. Gender neutral cubicles have been shown to improve the safety of transgender individuals.

(e) Pregnancy and maternity

C4112 – Redevelopment of Silver Street Toilets: The budget bid does not include funding for a fully specified Changing Places toilet but we are looking into solutions which would benefit pregnant women to this going forward. (Changing Places toilets differ from standard disabled toilets in having extra space and features for baby nappy changing.)

B4110 – Support for asylum seekers and refugees: The service will have a positive impact and can provide support to be able to access health care.

II4129 – Park Street Original Assumptions for redevelopment of site added back to the budget: Currently there are accessibility issues related to use of lifts in the carpark for people with buggies. Buggies can fit inside the lifts, although they are narrow, and there is no ramp from the kerb to the carpark for upper levels making navigation of buggies difficult. There are also no parent and child bays. The budget bid around maintaining the car park will not address this issue. We have a rolling 5 year holding repair programme of works in place and up until a decision can be made on the future of the car park. The holding repairs are for maintaining the car park, keeping it operational and safe. The negative impact on people with buggies related to access to upper levels is mitigated by the fact that all pay machines are on the ground floor.

(f) Marriage and civil partnership

No differential impact has been identified from the budget proposals.

(g) Race - The protected characteristic 'race' refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

B4006 - Increased capacity to produce video by Corporate Strategy service: This proposal would provide an alternative means to communicate about Council services, which may be more accessible to some people who have English as a second language and might be better at conversational English (listening to English) than reading English. The impact of the project could therefore be positive in relation to race.

C4041 - Cambridge City CCTV infrastructure procurement: Although recorded hate crime figures remain low in Cambridge City (20 reported incidents per month on average⁶), the most common form of hate crime is motivated by hostility towards a victim's race⁷. This proposal could have a positive impact on BAME residents, as improved CCTV can ensure these incidents are dealt with effectively by the police. Rapid response can also be initiated for personal safety.

⁶ Cambridgeshire Police

⁷ Home Office, Hate Crime, England and Wales, 2016/17

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652136/hate-crime-1617-hosb1717.pdf

URP4017 and X4081 - Increase staffing capacity in response to Homelessness Reduction Act:

These two budget bids help us in responding to our new responsibilities under the Homelessness Reduction Act 2017. Under the new Act, households threatened with homelessness but with no local connection, will be able to get advice from Cambridge City Council during the prevention phase of the duty. This will mean that the demographic mix of people seeking this advice may vary from the local demography. It is impossible to predict the exact level of impact this will have but it may have a minor positive impact on the diversity of ethnic groups receiving advice from the Council.

B4040 - Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour: This proposal will have a positive impact for BAME staff,; BAME people represent 19.35% of the Council staff who are currently paid under £10 per hour, which is significantly higher than the proportion of staff who are BAME (6.78%) in the overall Council workforce.

C4112 – Redevelopment of Silver Street Toilets: The project is expected to have a positive impact, by considering the provision of alternative toilet designs which would be more familiar to the most common nationalities of tourists and visitors to Cambridge ,). The council will also research cultural sensitivities when considering how to provide gender-neutral facilities.

B4110 – Support for asylum seekers and refugees: It has been identified that a two tier system of support has developed between asylum seekers and refugees helped through Government and resettling under their own efforts. Some of the issues facing refugees not on a Home Office scheme, which have been identified are:

- Lack of or prohibitive costs of English Language classes
- Access to Legal Aid funded immigration advice
- Health issues particularly mental health and access to treatment
- Lack of information about qualifications recognition and equivalence
- Unfamiliarity with the job market
- Housing
- Access to welfare benefits

An effective service will be provided to offer appropriate advice and advocacy for asylum seekers and refugees who are not on a Home Office scheme to address the inequalities that exist between the services for those refugees Cambridge City Council is resettling through the Home Office schemes and the people resettled in Cambridge by other means.

II4122 – Introduction of hire charge for Shopmobility equipment: The prevalence and profile of disability varies by ethnicity. For instance, people from white ethnic groups are almost twice as likely as those from non-white ethnic groups to have a limiting long-standing illness or disability (20% compared with 11%).⁸ Nevertheless, the impact that disability or long-term illness has on one's ability to participate in social life (including leisure activities like shopping) are different for different ethnic backgrounds. Adults with an impairment from black or black British ethnic backgrounds report the highest number of life areas (for example, leisure) in which participation is restricted, while adults from white ethnic backgrounds report the lowest.⁹

The impacts of the changes for ethnic groups are mixed, as people will be charged for the service so may use it less. However, the council could not afford to run the service if we did not charge for it and with charges the service would run at the same capacity as is currently the case.

B4014 - Funding to support the Housing Development Agency (10063): The HDA has not identified any equalities issues specific to this protected characteristic in relation to the affordable housing development programme. Designs and specifications can however be enhanced to accommodate cultural preferences if instructed to do so by the relevant Housing Authority (for example facilitating spray taps adjacent to WCs).

(h) Religion or belief

C4041 - Cambridge City CCTV infrastructure procurement: Although recorded hate crime figures remain low in Cambridge City (20 reported incidents per month on average¹⁰), the second most common form of hate crime is motivated by hostility towards a victim's religion and this has risen by 35% over the past year in England and Wales¹¹. This proposal could have a positive impact on those impacted by hate crime motivated by hostility towards their religion, as improved CCTV can ensure these incidents are dealt with effectively by the police. Rapid response can also be initiated for personal safety.

⁸ Papworth Trust, Disability in the United Kingdom 2016: Facts and Figures
<http://www.papworthtrust.org.uk/sites/default/files/Disability%20Facts%20and%20Figures%202016.pdf>

⁹ Papworth Trust, Disability in the United Kingdom 2016: Facts and Figures
<http://www.papworthtrust.org.uk/sites/default/files/Disability%20Facts%20and%20Figures%202016.pdf>

¹⁰ Cambridgeshire Police

¹¹ Home Office, Hate Crime, England and Wales, 2016/17
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652136/hate-crime-1617-hosb1717.pdf

(i) Sexual orientation

URP4017 and X4081 - Increase staffing capacity in response to Homelessness Reduction Act:

These two budget bids help us in responding to our new responsibilities under the Homelessness Reduction Act 2017. The Homelessness Reduction Act places new responsibilities on local authorities to provide advice and assistance to prevent and endeavour to relieve homelessness, regardless of priority need, at an earlier stage. Evidence shows that gay or lesbian individuals or couples are less likely to have care and control of dependent children and are, therefore¹², less likely to be in priority need¹³. Again, the 'priority need blind' element of the new legislation should benefit this group in terms of greater access to support when homeless. So, there should be a positive impact overall.

C4041 - Cambridge City CCTV infrastructure procurement: Although recorded hate crime figures remain low in Cambridge City (20 reported incidents per month on average¹⁴), hate crime that is motivated by a victim's sexual orientation is increasing according to statistics across England and Wales¹⁵. Improved CCTV can help ensure that the police are able to deal with these incidents effectively. Rapid response can also be initiated for personal safety.

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

URP4037 - Anti Social Behaviour work and Street Life Coordinator post: Continued funding for this post will have a positive impact related to low-income/poverty. The loss of the Street Life Co-ordinator would negatively impact on people in the street life community, many of whom have low incomes or are in poverty. The Street Life Co-ordinator is the Single Point of Contact (SPOC) for street life issues in Cambridge, and promotes and co-ordinates the Street Aid project, which provides grants to the street life community.

B4007 - Future Contribution to the Sharing Prosperity Fund: It is likely that this bid will have a positive impact on low income groups, as the funding will be used to support projects which will contribute to the delivery of objectives of the Council's Anti-Poverty Strategy. This will include the extension and expansion of successful pilot projects, or new projects to meet identified needs for low income residents.

URP4017 7 X4081 - Increase staffing capacity in response to Homelessness Reduction Act: These plans will have a positive income on people who are on low incomes or who are in poverty, as it will increase our capacity to support people at risk of homelessness in response to the Homelessness Reduction Act.

¹² Office for National Statistics (ONS) publication Families and Households
<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2017>

¹³ For information on priority needs categories see:
http://england.shelter.org.uk/housing_advice/homelessness/rules/priority_need

¹⁴ Cambridgeshire Police

¹⁵ Home Office, Hate Crime, England and Wales, 2016/17
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652136/hate-crime-1617-hosb1717.pdf

B4040 - Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour: This will have a positive impact on low-income groups, as it will involve paying more to the lowest paid 31 Council staff who currently earn less than £10 per hour.

B4044 - S&OS service review – Lammas Land Car Park: The car park charging scheme will be designed to minimise impact on Lammas Land visitors and deter long stay parking for city centre activities. Charges were carefully considered and guided by prices levied across the city for consistency in approach, the park and ride facility/guided bus offering the alternative and cheaper long terms stay option for those on low incomes.

C4112 – Redevelopment of Silver Street Toilets: It is proposed that a 20p charge for toilets be implemented in order to pay for their upkeep. This could have a small negative impact on people with low-incomes but is the rate applied across other toilets that have a charge for use in the city.

B4110 – Support for asylum seekers and refugees: This service will be provided free of charge and will help tackle economic and social marginalisation of this group.

II4122 – Introduction of hire charge for Shopmobility equipment: People with limited financial income may not be able to use the service as frequently due to the introduction of charges. However, many of the Shop-mobility users are likely to be in receipt of either Disability Living Allowance (DLA) or Personal Independence Payments (PIP) that are non-means tested benefits to help disabled people with the extra costs of a living with long-term health condition or disability for people aged 16 to 64. Both benefits are designed to support individual's independence for both care and mobility. In the case of scooter hire and shopping escorts this could be for payment of services. Parents or carers of children aged under 16, can be in receipt of Disability Living Allowance (DLA) for children in order to help with the extra costs of looking after a child who is under 16 and who has difficulties walking or needs more looking after than a child of the same age who doesn't have a disability.

B4014 - Funding to support the Housing Development Agency (10063): Housing provided by the HDA is targeted at those in housing need referred by Homelink who tend to be those on lower incomes or at risk of/ actually homeless.

C4142 – Mill Road depot development – capital contribution; C4144 – Mill Road depot redevelopment –Equity Loan to CIP; and C4145 – Mill Road depot redevelopment - Development Loan to CIP: The development scheme will deliver 50% affordable housing to be available at social rent (i.e. rents and service charges will be no greater than the Local Housing Allowance).

11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)

This EqlA provides an overall assessment of the equality impacts of budget proposals included in the General Fund budget proposed for 2018/19. As these projects and service changes move towards implementation during 2018/19, officers will continue to monitor equality impacts and individual EqlAs for these projects will be produced if required.

12. Do you have any additional comments?

There are some projects already in progress (where an EqlA has been completed before), and the proposal put forward in the budget bid is for a budgetary or administrative change related to this, for instance:

- **RI4024 - Net reduction in income at Ditchburn Place as a result of the refurbishment project:** A reduction in catering and other income is anticipated at Ditchburn Place as a direct result of the project to refurbish the scheme to create self-contained accommodation. The loss of income is partially offset by a reduction in anticipated spending on utilities and other operational costs.
- **RI4027 - Net impact of changes in anticipated income and expenditure for the Independent Living Service):** This reduced income bid combines the impact of a reduction in income for emergency alarms and a cash limited sum anticipated from the County Council for the provision of support to older people with an increase in the sum payable to the County Council for the out of hours response service.

Some projects may have equalities impacts but there is not any evidence available as of yet around this. One project where this will clearly be the case is:

- **B4045 - Market Square Project:** A strategic development project to enhance the economic, social and environmental value of the Market Square public realm as a key community asset to support the city's growth. The project will be undertaken in two stages. Stage 1 will be carried out (feasibility assessment and preliminary costings) in 2018/19, to determine whether or not the project is financially viable. This will be before proceeding to stage 2, where assessment of equality impacts would become relevant (detailed design and associated capital investment plan) in 2019/20.

13. Sign off

Name and job title of lead officer for this equality impact assessment: Helen Crowther, Equality and Anti-Poverty Officer, Corporate Strategy

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

- Deborah Simpson, Head of Human Resources
- David Kidston, Strategy and Partnerships Manager, Corporate Strategy
- Lynda Kilkelly, Safer Communities Section Manager, Community Services
- Joel Carré, Head of Environmental Services
- David Greening, Housing Advice Service Manager, Housing Services
- Alison Cole, Head of Revenues and Benefits
- Laura Adcock, Care and Support Manager, Housing Services
- Paul Boucher, Transformation Programme Manager,
- Sean Cleary, Commercial Operations Manager, Commercial Services
- Suzanne Hemingway, Strategic Director
- Will Barfield, Asset Manager, Estates and Facilities
- Yvonne O'Donnell, Environmental Health Manager, Environmental Services
- Jonathan James, Head of Customer Services
- Paul Ashbury, 3Cs Service, Huntingdonshire District Council
- Cath Conlon, Project Manager, Building Services & Facilities
- Sean Cleary, Commercial Operations Manager, Parking Services
- James Elms, Head of Commercial Services
- Louise Walker, Partnership Support Officer, Safer Communities
- Lynda Kilkelly, Safer Communities Section Manager
- Jake Smith, Commercial Projects Officer, Commercial Services
- Declan O'Halloran, Engineer (Projects), Project Delivery
- Nicola Hillier, Assistant Managing Director, Greater Cambridge Housing Development Agency
- Fiona Bryant, Strategic Director

Date of EqIA sign off: 30/11/2017

Date of next review of the equalities impact assessment: This will be different for each project.

Sent to Helen Crowther, Equality and Anti-Poverty Officer?

Yes

 No

Date to be published on Cambridge City Council website (if known): 13/12/2017

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Item

TREASURY MANAGEMENT, INVESTMENT AND CAPITAL STRATEGY REPORT

To:

The Executive Councillor for Finance & Resources: Councillor Richard Robertson

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

Report by:

Caroline Ryba – Head of Finance & S151 Officer

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

Wards affected:

All Wards

Key Decision

1. Executive Summary

- 1.1 The Council is required to receive and approve, as a minimum, three main treasury management reports each year, which incorporate a variety of policies, estimates and actuals.
- 1.2 The first and most important is the Treasury Management and Investment Strategy (this report) incorporating prudential and treasury indicators which covers:
 - Capital plans (including prudential indicators)
 - A Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
 - The Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and

- An investment strategy (the parameters on how investments are to be managed)
- 1.3 A mid-year treasury management report is produced to update Members on the progress of the capital position, amending prudential indicators as necessary and advise if any policies require revision.
 - 1.4 The Outturn or Annual Report compares actual performance to the estimates in the Strategy.
 - 1.5 The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:
 - The Prudential Code prepared by CIPFA
 - The Treasury Management Code prepared by CIPFA
 - The Statutory Guidance on Local Authority Investments prepared by Department for Communities and Local Government (DCLG)
 - The Statutory Guidance on Minimum Revenue Provision prepared by DCLG
 - 1.6 CIPFA have recently consulted on changes to the Prudential Code and the Treasury Management Code. The revised codes are due for publication at the time of writing this report and changes in response to the known updates have been reflected. The most notable of these changes is the requirement to produce an annual Capital Strategy which is provided at Appendix A.
 - 1.7 The DCLG have also consulted on changes to the Investment Guidance and Minimum Revenue Provision Guidance and the consultation closed on 22 December. The revised guidance is expected to be issued early in 2018 and to apply for financial years commencing on or after 1 April 2018. This report therefore reflects the new requirements. The most notable change is the requirement to expand the Investment Strategy to non-financial assets such as investments in property.
 - 1.8 The Council's S151 Officer has considered the deliverability, affordability and risk associated with the Council's capital expenditure plans and treasury management activities. The plans are considered to

be affordable and where there are risks such as the slippage of capital expenditure or reductions in income or value from investments these have been considered and are considered to be mitigated or at an acceptable level. The Council has access to specialist advice where appropriate.

- 1.9 Treasury Management Reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Strategy and Resources Committee.

2. **Recommendations**

The Executive Councillor is asked to recommend to Council:

- 2.1 This report, including the estimated Prudential & Treasury Indicators for 2017/18 to 2020/21, inclusive, as set out in Appendix D.

3. **Background**

3.1 **Treasury Management Activities**

- 3.2 The Council is required to comply with the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice. The Council is required to set prudential and treasury indicators, including an authorised limit for borrowing, for a three year period and should ensure that its capital plans are affordable, prudent and sustainable. The Council also follows DCLG Investment Guidance.
- 3.3 The Link Group bought the treasury division of Capita Asset Services and started trading as Link Asset Services in November 2017. All the services that Capita undertook for this Council will now be undertaken by Link Asset Services with no changes to the current level of services provided.
- 3.4 Link's specialist services include the provision of advice to the Council on developments and best practice in this area and provide information on the creditworthiness of potential counterparties, deposit and borrowing interest rates and the economy.

4. Borrowing Policy Statement

- 4.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1st April 2004.
- 4.2 At present the only debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA taken out in 2012 totalling £213,572,000.
- 4.3 The Council does not currently anticipate any new external borrowing for the period 2018/19 to 2020/21, inclusive.
- 4.4 In the event that external borrowing is undertaken the Council is able as an eligible local authority to access funds at the PWLB Certainty Rate (a 0.20% discount on loans) until 31st October 2018.
- 4.5 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

5. Minimum Revenue Provision (MRP) Policy Statement

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

- 5.4 The Housing Revenue Account share of the CFR is not subject to an MRP charge.
- 5.5 There is no requirement to make a MRP charge on an asset until the financial year after that asset becomes operational.
- 5.6 The Government has issued draft revised guidance (expected to be finalised in the new year) on the calculation of MRP. The Council is required to have regard to the guidance based on the underlying principle that the provision should be linked to the life of the assets for which the borrowing is required.
- 5.7 However, the guidance is clear that differing approaches can be considered as long as the resulting provision is prudent.
- 5.8 In general, the council will make a minimum revenue provision based on the equal installment method, amortising expenditure equally over the estimated useful life of the asset for which the borrowing is required. However, no provision will be made in respect of expenditure on specific projects where the Head of Finance determines that capital receipts will be generated by the project to repay the debt. Specifically in respect of the current capital programme:-
- The Council has made a loan to a company (which is classed as capital expenditure) to enable it to let intermediate rent properties. This will be financed from internal borrowing.
 - As this loan is to a wholly owned subsidiary company, is secured on assets and there is a plan and evidence that there is an ability to repay the loan at the end of the short 3 year pilot period, no MRP will be set aside. However, to ensure that this policy is prudent, the Council will review this loan annually and at the end of the pilot period if the company continues and the loan is renegotiated. Where there is evidence which suggests that the full amount of the loan may not be repaid, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.
 - The Council is budgeted to make a capital contribution and loans to the Cambridge Investment Partnership (CIP) – a joint venture and deadlock partnership in which the Council has a 50% stake - to facilitate the development of new housing on the former Mill Road

Depot site within the city. These payments are classed as capital expenditure. As the payments will be appropriately covered by assets in the CIP and as there are detailed plans to demonstrate that all investment in the CIP will be recovered in less than five years with a significant surplus, no MRP will be set aside. However, to ensure that this policy is prudent, the Council will review the position regularly. Where there is evidence which suggests that the finance provided may not be repaid, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.

5.9 The Council approved a programme of investment in commercial property using powers under S12 of the Local Government Act 2003 in October 2016. This is deemed capital expenditure and will be financed from cash balances. MRP will be provided for using the useful life determinant with regard to maximum lives permitted in the revised DCLG MRP guidance of 50 years for freehold land and 40 years for all other assets. MRP is made on the purchase of these properties from the date that rental income is earned.

5.10 The Council has agreed to finance an element of the capital cost of a new community centre at Clay Farm from internal borrowing. Using the asset life method MRP would normally be made over an asset life of 40 years. However, the element of capital cost being funded from internal borrowing will effectively be repaid over a shorter period from receipts of rental incomes from the tenant and subsidy from the site developer. The current estimate is that this repayment will take approximately 17 years. The Council has decided to make MRP on this accelerated basis in respect of this asset.

6. The Council's Capital Expenditure and Financing 2017/18 to 2020/21

6.1 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.

6.2 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.

	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
General Fund Capital Expenditure	40,698	14,664	11,672	4,111
HRA Capital Expenditure	23,226	40,302	39,916	59,311
Total Capital Expenditure	63,924	54,966	51,588	63,422
Resourced by:				
• Capital receipts	4,130	6,873	7,897	12,501
• Other contributions	40,714	39,533	33,491	48,421
Total available resources for financing capital expenditure	44,844	46,406	41,388	60,922
Financed from cash balances	19,080	8,560	10,200	2,500

The Council's Capital Strategy

6.3 In line with the proposed changes in the Revised CIPFA Prudential Code and proposed amendments to the DCLG Guidance, the Council's Annual Capital Strategy is presented at Appendix A.

7. The Council's Prudential and Treasury Management Indicators

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

Capital Financing Requirement & Cumulative External Borrowing	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
General Fund Capital Financing Requirement	29,483	37,343	46,843	48,643
HRA Capital Financing Requirement	214,321	214,321	214,321	214,321
Total Capital Financing Requirement	243,804	251,664	261,164	262,964
Movement in the Capital Financing Requirement	18,786*	7,860*	9,500*	1,800*
Estimated External Gross Debt/Borrowing (Including HRA Reform)	213,572	213,572	213,572	213,572
Authorised Limit for External Debt	250,000	250,000	250,000	250,000
Operational Boundary for External Debt	243,804	251,664	261,164	262,964

*Includes Minimum Revenue Provision (MRP) of £(-) 294k in 2017/18 & £(-) 700k in later years

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

8. Investment Strategy

8.1 The Council's overall approach to investment in financial and non-financial assets is outlined in the Capital Strategy presented at Appendix A.

Financial Asset Counterparties

8.2 The full listing of approved counterparties is presented at Appendix B, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits. No changes have been proposed to these counterparties this year.

Financial Asset Performance Indicators

8.3 The Council's investments at 30 November 2017, including the principal invested, yield and credit rating as advised by Link are as follows:

Counterparty	Link Credit Rating	Principal (£)	Yield
Fixed Term Deposits (Original Term less than one year)			
Nationwide Building Society	A	10,000,000	0.32% -0.37%
Salford City Council	AA	3,000,000	0.42%
Bank of Scotland Plc	A	20,000,000	0.36%-0.65%
Barclays Bank Plc	A	8,774,208	0.35%-0.40%
Lloyds Bank Plc	A	20,000,000	0.36%-0.65%
Fixed Term Deposits (Original Term More than One Year)			
Doncaster MBC	AA	5,000,000	0.90%
Liverpool City Council	AA	5,000,000	0.70%
Newcastle-upon-Tyne City Council	AA	6,000,000	0.90-0.95%
Rugby Borough Council	AA	5,000,000	0.60%
West Dunbartonshire Council	AA	5,000,000	0.95%
Variable Net Asset Value Funds			
CCLA Local Authorities' Property Fund	Unrated	15,000,000	4.58%
ECF - Payden Sterling Reserve Fund	AAA	5,000,000	0.64%
ECF - Royal London Cash Plus Fund	AAA	5,000,000	0.42%
TOTAL		112,774,208	

- 8.4 There is no risk to the capital invested (other than the risk of failure of the financial institution) for fixed term deposits and constant net asset value money market funds. Variable net asset funds are priced and the market value of these funds at 30 November 2017 was £24,928,138.
- 8.5 The Council has made a loan of £7.5 million to Cambridge City Council Housing Company, a wholly owned subsidiary. This loan earns 2.02% and is secured on the properties owned by the company.
- 8.6 The Council also plans to commence making loans to Cambridge Investment Partnership, a joint venture, in 2018/19 as detailed in 5.8.

Non-Financial Asset Performance Indicators

- 8.7 As detailed in the capital strategy, in addition to recent investments in commercial property which have been funded from internal borrowing, the Council has a well-established, diversified and significant investment property portfolio.
- 8.8 Based on audited financial statements the fair value of investment properties, the yield achieved (rental income net of direct costs) and the gain in fair value for properties held in the General Fund has been as follows:

	2016/17	2015/16
Rental income net of direct costs (£'000)	8,049	7,857
Fair Value at year end (£'000)	148,345	139,046
Yield	5.4%	5.6%
Gain in fair value in year (£'000)	10,128	13,321

- 8.9 The Council has invested £15.9 million to date in 2017/18 in new properties and these are expected to earn rental income of approximately £721k for the year. A full year of rental income for these properties is estimated to be in the order of £1,018k.
- 8.10 The Council is making Minimum Revenue Provision on these properties as they are being funded from cash balances. Based on a 40 year asset life, a full year's charge of MRP on these properties is £500k.

- 8.11 The audited financial statements at 31 March 2017 show that the Net Cost of Services (net of service related income) chargeable to the General Fund was £21.4m. Net Income from Investment Properties was 37.7% of this figure. The Council does not identify specific funding sources for services, so the income from properties contributed to the overall funding resources available to the Council including council tax and income from government grants and business rates. The use of investment property income to support the Council's activities has been established over many years.
- 8.12 The Housing Revenue Account holds a small number of investment properties valued at £5.4 million at 31 March 2017 and earning rental income of around £400k per annum.

9. Brexit Update

- 9.1 The referendum result has generated some uncertainty in the investment markets. Realistically, given the number of complexities of the situation, these uncertainties will take some time to clear.
- 9.2 Rates have dropped following the Referendum result. Article 50 has now been triggered and it is still not clear exactly what will happen, although the UK is scheduled to leave the EU on the 29 March 2019.
- 9.3 Recent events have shown that the negotiations have been challenging, focusing on debates on the legal aspects of leaving and the approval of the House of Commons with regard to the EU (Withdrawal) Bill. There have also been some expressions of a 'no deal' scenario. This would place financial markets in a very uncertain financial environment. As the facts emerge, Members will be updated accordingly.

10. Financial Market Reforms Update

10.1 Basel III

- 10.2 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.

10.3 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. This reform has contributed to lower yields achieved.

10.4 Markets in Financial Instruments Directive II (MiFID II)

10.5 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 3rd 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.

10.6 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 is currently registering with the various Financial Institutions, in order to carry on with these investments.

10.7 Money Market Fund (MMF) Reforms

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

10.9 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. An update will be provided at the mid-year review.

11. Interest Rates & Interest Received

11.1 Link 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. Link's opinion on interest rates is presented at Appendix C.

- 11.2 Total interest and dividends of £936,744 has been received on the Council's deposits up to 30th November 2017 (for this financial year) at an average rate of 1.12% (1.09% in 2016/17). This is in line with the budget to date.
- 11.3 The Bank of England's Monetary Policy Committee decided to increase its Base Rate by 0.25% to 0.50%, on 2nd November 2017. This is reflected within Link's interest rate predictions at Appendix C.

12. 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 and Poverty Implications

No negative impacts identified.

(d) Environmental Implications

None.

(e) Procurement Implications

None.

(f) Community Safety Implications

No community safety implications.

13. Consultation and communication considerations

- 13.1 None required.

14. Background papers

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

15. Appendices

- 15.1 Appendix A – The Council's Capital Strategy
Appendix B – The Council's current Counterparty list

Appendix C – Link’s opinion on UK Forecast Interest Rates
Appendix D – Prudential and Treasury Management Indicators
Appendix E – Glossary of Terms and Abbreviations

16. Inspection of papers

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

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Capital Strategy

1 Introduction

- 1.1 In order to demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability the CIPFA Prudential Code requires that councils should have in place a capital strategy that sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the impact on outcomes.
- 1.2 As local authorities become increasingly complex and diverse it is important that those charged with governance understand the long term context in which investment decisions are made and the financial risks to which the Council is exposed.

2 Objectives

- 2.1 The objective of the capital strategy is to ensure that the overall strategy, governance procedures and risk appetite are clear to members. The strategy outlines how stewardship, value for money, prudence, sustainability and affordability will be secured.

3 Scope

- 3.1 The capital strategy specifically focusses on:
- Capital expenditure
 - Investments and long term liabilities
 - Debt and borrowing

4 Capital Expenditure

Approval of capital expenditure

- 4.1 In 2014 the Council undertook a significant review of projects on the capital plan, with a view to making the capital plan more deliverable and preventing excessive delays and slippage of projects into later years. The second phase of this review considered the process of how new capital projects should be considered for approval.
- 4.2 One of the key principles of the process is to ensure that when Council considers which capital projects to fund at Mid-Term Financial Strategy (MTFS) or Budget Setting Report (BSR), those projects have been properly planned and developed and appropriate risks considered and are therefore ready to be implemented, subject to any procurement requirements.
- 4.3 The business case for projects which require capital funding is developed in two parts and is overseen by the Capital Programme Board (CPB), which is an officer group on which the Council's Head of Finance sits. The Outline Business Case gives a preliminary overview and assessment of the project and allows the CPB to consider whether there is sufficient justification to develop the project further. The Full Business Case (FBC) provides a comprehensive assessment of the rationale, objectives and funding proposals for the project so that the Capital Programme Board, Executive Members and Scrutiny Committees and Council can determine whether to support and fund the project. In summary the process for approval is:
- CPB consider all Full Business Cases
 - CPB recommend FBCs if the capital cost is less than £1m for funding at MTFS/BSR
 - Scrutiny Committee considers and Executive Councillors recommend prioritised FBCs if capital cost is £1m or more for funding at MTFS/BSR
 - Council consider all prioritised capital projects at MTFS/BSR
 - Approved projects are included on Capital Plan
 - Project commences
- 4.4 The Council's accounting policies have a deminimis of £15,000 (£2,000 for vehicles) for capital assets which are reflected in the processes above.
- 4.5 Where projects are to be funded by S106 contributions:

- Projects are allocated S106 funding by the appropriate area committee or Executive Councillor via the S106 priority-setting process
- S106 priority projects still need to have their business cases reported to the Capital Programme Board, but managers need to use a template which is tailored to the needs of S106-funded projects.

4.6 The HRA capital programme is scrutinised by the Housing Management Team and the Housing Committee prior to decisions being taken as part of the Housing BSR and MTFS.

Monitoring of capital expenditure

4.7 Capital expenditure and achievement of the capital plan is monitored by the Capital Programme Board. Project managers are also required to report regularly on the 'RAG' (Red/Amber/Green) status of their project. This is reported regularly to Senior Management Team and the Executive.

4.8 Variances are formally scrutinised by relevant Committees at outturn. Revisions to capital funding are considered at MTFS and BSR stages as required.

Financing of capital expenditure

4.9 Consideration of the financing of capital projects is integral to the governance procedures outlined above.

4.10 In general the Council finances capital expenditure from existing resources including reserves and capital receipts or from specific grant funding sources. This ensures that capital expenditure is both affordable and prudent.

4.11 Where the Council identifies that capital expenditure is to be internally borrowed from cash balances, rather than funded from an existing funding source it ensures that a prudent Minimum Revenue Provision (MRP) charge is made to revenue to fund the expenditure. There may be circumstances in which MRP is not judged to be required. If this is the case the reasons are specifically outlined in the MRP Policy.

Asset Management Planning

- 4.12 The Council regularly reviews the condition of its existing assets, using specialist advisors where appropriate.
- 4.13 This includes reviews of the maintenance requirements of operational property, investment properties and council housing stock.
- 4.14 With the exception of the £214m loans taken out on the inception of self-financing of the Housing Revenue Account at the end of the previous subsidy system, the Council currently has no external debt. It therefore does not need to consider the impact of past borrowing.
- 4.15 Disposal of assets is subject to scrutiny by relevant Committees and Executive Councillor approval. Detailed cases are prepared for any asset disposals and appropriate independent advice taken to ensure that best value is achieved on disposals, taking into account any strategic objectives.

Funding and Borrowing Restrictions

- 4.16 There are a number of restrictions around the borrowing and funding of capital expenditure and these are taken into account in the development and monitoring of the capital plan.
- 4.17 Under the Prudential Code the Council has discretion to undertake borrowing which is prudent, affordable and sustainable from, for example, the Public Works Loan Board.
- 4.18 However, in respect of the Housing Revenue Account there is a 'cap' on HRA debt of £231 million. This currently restricts the ability of the HRA to borrow to £16m. The 2017 Autumn Budget indicated that councils in areas of low affordability will be able to bid to increase their ability to borrow in the future.
- 4.19 The majority of the receipts from asset disposal come from the sale of council homes under the Right to Buy. The Council remains subject to the agreement with DCLG that allows the retention of right to buy receipts, subject to a set of specific conditions.
- 4.20 The receipts assumed in the HRA Self-Financing Settlement continue to be shared with DCLG in the statutorily agreed proportions, with a

proportion of the receipts from any subsequent sales kept by the authority in recognition of the debt that the authority holds in respect of the asset. The balance of capital receipts is ring-fenced for one-for-one (1-4-1) investment.

- 4.21 Currently, 1-4-1 receipts must still be spent within a 3-year timeframe, to fund the delivery of new social housing, with a maximum of 30% of the dwelling being met via this funding stream and the balance of 70% funded from the Council's own resources or borrowing.
- 4.22 Failure in delivery still results in the receipt having to be paid to central government, with interest at 4% above the base rate, which far outweighs the interest earned on the receipt whilst held by the authority.
- 4.23 It remains clear from the Housing Budget Setting Report that although a deadline has not been breached yet, which would require the authority to pay retained receipts over to DCLG with the associated interest due, there is a significant amount of new build spend required in order to avoid the penalty.
- 4.24 It may still be necessary to consider some strategic acquisitions in the short-term in order to meet the deadlines, or alternatively to pursue passing some receipts to a registered provider to deliver the affordable housing in the city, in place of the Council. Any decision in this regard, will need to take account of the subsequent impact on any future Council new build schemes.

5 Investments

Financial Assets

Approach to investments

- 5.1 The Council manages its deposits in-house and uses Link (formerly Capita) as its independent Treasury Adviser. The Council recognises that responsibility for treasury management activities remains with the organisation. The Council will ensure that the terms of Link's appointment are properly agreed and documented and regularly reviewed.
- 5.2 The Council's deposit priorities are (and in this order):-

- The Security of capital;
- The Liquidity of deposits; and;
- The Yield or return on its deposits.

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

5.4 This Council uses the creditworthiness service provided by Link which is updated daily for the authority to use. This service uses a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody’s and Standard & Poor’s. However, the Council does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:-

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

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

5.6 In addition to considering the creditworthiness of counterparties the Council also considers the duration of deposits to ensure the appropriate liquidity of funds.

Monitoring and governance

5.7 The current investment position is reported as part of the Council’s budget monitoring reporting to Senior Management Team. Investment performance is formally reported to Strategy and Resources Scrutiny Committee and Council at the mid-year and outturn.

Loans to group undertakings

- 5.8 The Council has made a loan of £7.5 million to Cambridge City Housing Company, of which the Council owns 100% of the share capital. The granting of the loan by the Council was subject to review of the company's detailed business case. The performance of the company is regularly reviewed and a decision about the future of the company will be made at the end of the 3 year pilot. The Council has minimised the risks to which it is exposed by securing the loan on the value of the properties that the company owns. Valuations are obtained on these properties each year to ensure that the Council is not exposed to a significant risk of recovering less than the value of the loans.
- 5.9 The Council is budgeted to make equity and development loans to the Cambridge Investment Partnership, an entity in which it has a 50% stake, in respect of the redevelopment of the former Mill Road depot site. The granting of the loans is subject to a review of the detailed plans demonstrating that all investment in the CIP will be recovered with a significant surplus and will be appropriately covered by the assets in the CIP. This is to ensure that the Council is not exposed to a significant risk of recovering less than the values loaned.

Non-financial assets

- 5.10 Where the Council invests in non-financial assets, it considers Security, Liquidity and Yield, as it does for financial assets.
- 5.11 Specifically in relation to non-financial assets:
- **Security** – the Council recognises that it will normally have an asset that can be used to recoup capital invested. Therefore, it ensures through regular valuations at fair value, that there is sufficient value in assets and the portfolio as a whole to protect the funds invested.
 - **Liquidity** – the Council has a large portfolio of non-investment assets and is therefore able to look at potential disposals across it to access funds. The portfolio is well-diversified and the Council is not unduly exposed to needing to rely on the disposal of a key asset for liquidity. It should also be noted that the Council maintains significant financial investments to meet its liquidity needs.

Investment in new properties

- 5.12 The Council has historically owned a significant investment property portfolio, including retail, office and industrial properties.
- 5.13 In line with other councils, given the historically low returns on financial assets, the Council has made additional investments of c£28m over the past 3 years. Acquisitions have been made in accordance with pre-agreed criteria in terms of how an acquisition fits with the Council's existing portfolio, management issues, tenant risk, income structure and certainty, property type, condition, location, environmental and accessibility performance, financial return and lot size. Deviance from these criteria is allowed where an acquisition supports the Council's strategic land holdings in that location or its wider corporate aims and objectives.
- 5.14 The primary aim through commercial property investments has been income generation rather than regular property trading to release capital. As the preferred investments are to be in Cambridge, the opportunity for regular trading is limited due to market supply and so to focus on long term retention and income generation or investment in the retained portfolio is considered to best meet the Council's aims and objectives.
- 5.15 Prior to its recent acquisitions, the Council's existing portfolio was reviewed externally to identify the balance between the various property types (industrial/office/retail/leisure) and the nature of the investment held (eg, directly managed occupational leases, long leasehold geared ground leases). While it achieves diversity within Cambridge, true diversification is difficult to achieve without considering a much wider geographic area which is then considered to bring additional risk and issues of investing in areas not known to the Council. The Council achieves some wider geographic diversification through its investments in property funds although this represents a relatively small percentage of its property investments.
- 5.16 Where new acquisitions are made it was agreed that Agents be appointed to advise on and acquire suitable commercial property investments.

The key issues to be agreed with the agents are:

- How an investment fits with the Council's existing portfolio, for example in terms of property type, balance of risk, future opportunities.
- Location. Ideally an investment in Cambridge but a good quality investment relatively close would be considered.
- Rate of return. The Council is looking for the best rate of return reflecting its income targets and the risk of the investment.
- Risk. Certainty of income is important and so tenant and lease structure should reflect this as should the credit ratings of tenants.
- Management. An investment should ideally not be management intensive so net income is close to gross income.
- Condition. The investment should be in good condition and not require significant capital investment in the near future unless there is a pre-let agreement underwriting such investment.
- Accessibility. The property should offer good accessibility.
- Environmental performance. Given changes to the environmental performance of properties required in the future, the investment should have an EPC rating of C or above.

5.17 The exceptions to the above would be if the investment was a strategic fit with existing property such as an adjoining property or the acquisition of a long leasehold interest where the Council is also the freehold owner.

5.18 The Council has an approved process and governance arrangements for investment property acquisitions when funding is available for investment based on the pre-agreed criteria as set out above. This recognises that the local commercial property market is competitive and that success depends upon timely decisions in relation to investments. The Council has therefore delegated authority to the Head of Property Services to approve acquisitions after consultation with the relevant Executive Councillor, Committee Chair, Opposition Spokesperson and Head of Finance. Acquisitions are subsequently reported to the relevant Committee.

Monitoring the performance of the overall portfolio

5.19 The Council's sizeable property portfolio includes equity stakes in 2 major shopping centres, a selection of small business units aimed

principally at small local and start-up companies plus over 80 shops in council estate locations which provide important local services for their communities.

- 5.20 The total value of investment properties at 31 March 2017 was £154m. The Council considers that the investment property portfolio retains sufficient value (measured using the fair value model) to provide security of investment.
- 5.21 A key element of the work of Property Services is monitoring the performance of assets to identify any that are currently held which are deemed to be under-achieving, or which are no longer appropriate to hold in the portfolio. This enables consideration to be given to alternate uses or disposal. The Council has effectively undertaken such a process for a number of years through the annual Property Portfolio Review.
- 5.22 Performance of the portfolio in rental terms is monitored by Officers and Members via the budgetary control process.

Property Portfolio Review

- 5.23 The significant degree of development around the City has provided the Council with opportunities to bring forward land for development (commercial and / or housing), with resultant additional capital receipts. This may result in significant opportunities for capital spending over the medium-term as the receipts are realised.
- 5.24 Major sites where this applies include land at Arbury Park and Clay Farm for housing and land along Cowley Road for commercial uses. Given the pressure for development other windfall sites may be identified, e.g. the redevelopment on land currently occupied by low density housing that is in need of renewal.
- 5.25 As receipts from disposals cannot be guaranteed until buyers are found and legal agreements concluded, any possible usable receipts have not been taken into account for funding purposes at this stage. On receipt they would be applied in line with the Council's financing strategy, effectively replacing existing use of reserves in the first instance. This prudent approach allows the Council to manage the financial risks around disposals and this is especially true in uncertain market conditions.

- 5.26 Figures for rental income built into the forecast allow for projected disposals. Detailed findings from the review are normally reported to Strategy and Resources Scrutiny Committee.
- 5.27 When planning any further asset disposals the revenue impact of the disposals (i.e. the potential loss of net rent income from the asset against the income which would be received from the investment of the set-aside portion of the receipt) must also be taken into account.

6 Debt and borrowing

- 6.1 The Council has external debt of £214m in respect of the loans taken out on the introduction of self-financing in 2012.
- 6.2 The Council has internal borrowing as outlined in the Treasury Management Strategy Statement.

7 Knowledge and Skills

Financial Assets

- 7.1 Treasury Management Activity is undertaken by an Accountant and Assistant Accountant in the Council's Technical and Financial Accounting Team. They are managed by a CCAB qualified Principal Accountant.
- 7.2 The team has many years of treasury management experience and has recently demonstrated that it has the skills to opt-up to Professional status under the MiFID II reforms.
- 7.3 The CIPFA Code requires the responsible officer to ensure that Members and Officers are adequately trained in treasury management. Training is arranged as required and is regularly reviewed.

Non-financial Assets

- 7.4 The Council's investment property is managed by its Property Services Team, an experienced team of 7 staff, soon to be increased to 9. The team includes 6 Chartered Surveyors each with over 25 years of property experience in both the private and public sector. This extensive experience includes dealing with a mix of property types and

professional work including professional services, landlord and tenant, statutory valuations, acquisitions and disposals, commercial and residential property management. They have extensive knowledge of the Cambridge property market with most of the team having worked in and around Cambridge for the past 10 years or so, some much longer.

- 7.5 Property Services also works with external agents where specialist expertise is required to deal with particular properties or resource is not available to deal with matters in a timely way. Examples of where external advice is used include agency, valuation, building surveying and planning work. The Council also has internal building surveying resource in its Estates and Facilities Team to advise on construction, repair and maintenance, and statutory compliance matters across its investment properties. Estates and Facilities commission and manage repairs and maintenance as well as capital investment programmes either directly or through framework contracts.
- 7.6 The Council's asset valuations for its financial statement are prepared by external agents with an agreed rolling programme of valuations for the whole Council property portfolio. All material investment properties are valued on an annual basis.
- 7.7 When acquiring new investment property, the Council has appointed external agents to advise on and negotiate the terms of acquisition, recognising that others are closer to the investment market on a day to day basis than the Council's in-house team in some cases. As well as advising prior to acquisition, the agents undertake due diligence which helps to ensure that those charged with governance can make informed decisions.

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 (£)
Specified Investments:-			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
Debt Management Account Deposit Facility	N/A	DMADF	Unlimited
Barclays Bank Plc	Using Link's Credit Criteria	UK Bank	25m
HSBC Bank Plc	Using Link's Credit Criteria	UK Bank	20m
Standard Chartered Bank	Using Link's Credit Criteria	UK Bank	20m
Bank of Scotland Plc (BoS)	Using Link's Credit Criteria	UK Bank	20m
Lloyds Bank Plc	Using Link's Credit Criteria	UK Bank	20m

Name	Council's Current Deposit Period	Category	Limit (£)
National Westminster Bank Plc (NWB)	Using Link's Credit Criteria	UK Nationalised Bank	20m
Santander UK Plc	Using Link's Credit Criteria	UK Bank	5m
The Royal Bank of Scotland Plc (RBS)	Using Link's Credit Criteria	UK Nationalised Bank	20m
Other UK Banks	Using Link's Credit Criteria	UK Banks	20m
Members of a Banking Group (BoS Group includes Lloyds, RBS Group includes NWB)	Using Link's Credit Criteria	UK Banks and UK Nationalised Banks	30m
Svenska Handelsbanken	Using Link's Credit Criteria	Non-UK Bank	5m
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/V1)	Over 3 months and up to 1 year	Financial Instrument	10m (per single counterparty)
Money Market Funds	Liquid Rolling Balance	Financial Instrument	15m (per fund)
Custodian of Funds	Requirement for Undertaking Financial Instruments	Fund Managers	Up to 15m (per single counterparty)
UK Government Treasury Bills	Up to 6 months	Financial Instrument	15m
Other Specified Investments - UK Building Societies:-			

Name	Council's Current Deposit Period	Asset Value (£'m) – as at 10 th August 2017	Limit (£)
Nationwide Building Society	1 month or in line with Link'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	
Non-Specified Investments:-			
Name	Council's Current Deposit Period	Category	Limit (£)
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 35m (in total)
Cambridge City Council Housing Working Capital Loan Facility	Up to 1 year	Loan	200,000
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)

Name	Council's Current Deposit Period	Category	Limit (£)
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	20m (in total)
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/V1)	Over 1 year and up to 5 years	Financial Instrument	10m (per single counterparty)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Supranational Bonds – AAA	Using Link'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.

Link’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 (Link) on UK Interest Rates as currently predicted.

Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) increased the bank rate by 0.25% to 0.50% and no change to current Quantitative Easing (QE) value of £435bn, on 2nd November 2017. The vote was 7-2 in favour of an increase to the bank rate. Going-forward, the Council’s treasury advisor, Link (formerly Capita), has provided the following interest rate forecasts issued on 7th November 2017:-

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18*	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
3 Month LIBID	0.40%	0.40%	0.40%	0.40%	0.60%	0.60%	0.60%	0.70%	0.90%	0.90%	1.00%	1.20%	1.20%	1.20%
6 Month LIBID	0.50%	0.50%	0.50%	0.60%	0.80%	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%
12 Month LIBID	0.70%	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.10%	1.30%	1.30%	1.40%	1.50%	1.50%	1.60%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB Rate	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

* Link Asset Services predict that the next Bank of England Rate Change will be in December 2018, with a rise of 0.25% to 0.75%.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000
PRUDENTIAL INDICATORS				
Capital expenditure				
- General Fund	40,698	14,664	11,672	4,111
- HRA	23,226	40,302	39,916	59,311
Total	63,924	54,966	51,588	63,422
Incremental impact of capital deposit decisions on:				
Band D Council Tax (City element)	£0.03	£0.40	£-0.02	£-0.04
Average weekly housing rent	£0.00	£-0.02	£0.03	£0.07
Capital Financing Requirement (CFR) as at 31 March				
- General Fund	29,483	37,343	46,843	48,643
- HRA	214,321	214,321	214,321	214,321
Total	243,804	251,664	261,164	262,964
Change in the CFR	18,786	7,860	9,500	1,800
Deposits at 31 March	100,713	96,348	85,586	71,162
External Gross Debt	213,572	213,572	213,572	213,572
Ratio of financing costs to net revenue stream				
-General Fund	-582	-561	-496	-418
-HRA	6,323	6,215	6,313	6,430
Total	5,741	5,654	5,817	6,012
% of net revenue expenditure				
-General Fund	-2.25%	-2.87%	-2.76%	-2.19%
-HRA	15.41%	15.07%	15.54%	15.44%
Total (%)	13.16%	12.20%	12.78%	13.25%

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Probable Outturn 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000
TREASURY INDICATORS				
Authorised limit				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
Total	250,000	250,000	250,000	250,000
HRA Debt Limit	230,839	230,839	230,839	230,839
Operational boundary				
for borrowing	243,804	251,664	261,164	262,964
for other long term liabilities	0	0	0	0
Total	243,804	251,664	261,164	262,964
Upper limit for total principal sums deposited for over 364 days	50,000	50,000	50,000	50,000
Upper limit for fixed & variable interest rate exposure				
Net interest on fixed rate borrowing/deposits	6,910	6,931	6,996	7,074
Net interest on variable rate borrowing/deposits	-18	-15	-15	-15
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

Treasury Management – Glossary of Terms and Abbreviations

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

Term	Definition
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 banks London banks borrow Eurocurrency deposits from other banks
Liquidity	A measure of how readily available a deposit is
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Minimum Revenue Provision (MRP)	Revenue charge to finance the repayment of debt
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods typically beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed
Quantitative Easing (QE)	A financial mechanism whereby the Central Bank creates money to buy bonds from financial institutions, which reduces interest rates, leaving businesses and individuals to borrow more. This is intended to lead to an increase in spending, creating more jobs and boosting the economy
PWLB	Public Works Loans Board - an Executive Government Agency of HM Treasury from which local authorities & other prescribed bodies may borrow at favourable interest rates
Security	A measure of the creditworthiness of a counter-party

Term	Definition
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

Item



COUNCIL TAX REDUCTION SCHEME 2018-2019

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

Report by:

Alison Cole, Alison Cole

Tel: 01223 457701 Email: alison.cole@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 From April 2013, local authorities across England were given the power to devise their own systems of Council Tax Support for working-age adults. It replaced the national system of the Council Tax Benefit which ensured that the poorest households received help to pay Council Tax.
- 1.2 The current local scheme meets the Council's commitment to protect as many people as possible from any decrease in the level of Council Tax Reduction support.

- 1.3 The purpose of this report is to undertake the annual review of the Council Tax Reduction Scheme and to decide whether the Scheme should be revised, replaced or continued for the financial year 2018-2019.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 To agree to continue the current Council Tax Reduction Scheme framework with changes in applicable amounts and premiums as defined within the local scheme which supports low-paid workers already struggling to cope with stagnant wages, rising living costs and on-going Welfare Reforms that impact on tax credits and other in-work support.
- 2.3 To agree to a significant review of the current scheme during spring 2018 to reflect the rollout of Universal Credit Full Service, to include a review of Local Council Tax Discounts and Premiums.

3. Background

Page:

2

- 3.1. Local Council Tax Reduction Schemes replaced the national Council Tax Benefit scheme for those of working age from April 2013.
- 3.2 The local scheme is for those of working age only as there is no local discretion in respect of the provision for pensioners, which is set out in statute in the prescribed regulations.
- 3.3 The current local Council Tax Reduction Scheme broadly follows the Council Tax Benefit scheme that ceased on 31 March 2013 and continues to support the Council's commitment to support the most vulnerable in the city.

- 3.4 The current scheme supports all those that enter work and provides support to those who are in work.
- 3.5 Average weekly awards are estimated to be £18.90 per week, a small increase from £18.47 last year almost totally due to the increase in Council Tax Liability.
- 3.6 The split between working age and pensioner is continuing to move slightly towards more working age than pensioner. In 2017-2018 this was 64/36 and is projected to be 65/35 for 2018-2019.
- 3.7 It is estimated that there will continue to be small increases in the number of working households receiving support; up from 1033 in 2017-2018 to 1180 in 2018-2019.
- 3.8 The number of households with children is estimated to fall slightly by approximately 50 households but that still leaves some 3660 children likely to be in households receiving Council Tax Reduction.
- 3.9 Universal Credit Full Service starts in Cambridge from October 2018, where working age people will claim this one benefit instead of the following legacy benefits:
- Housing Benefit,
 - Jobseekers Allowance,
 - Employment and Support Allowance,
 - Income Support,
 - Working Tax Credit
 - Child Tax Credit,
- 3.10 This change, and the associated reduction in administration grants from Government, necessitates a review in the scope of the scheme from April 2019 onwards to ensure that those claiming Council Tax Reduction

are still supported, that the scheme works in harmony with Universal Credit and the administration can be resourced efficiently.

- 3.11 When designing its localised Council Tax scheme that was introduced in April 2013, the Council consulted and then introduced Council Tax reforms that enabled the Council to reduce or remove certain discounts in respect of empty property and 2nd homes. The aim was to encourage empty property to be brought back into use more quickly and also to generate income to help support the reduction in funding for Council Tax Reduction schemes.
- 3.12 In the Autumn Budget 2017 the Government announced the intention to legislate for the option to levy an empty homes' premium of up to 100% (currently 50%) where a dwelling has been empty for at least two years. This means the maximum council tax could be 200% (currently 150%) for long-term empty dwellings and is expected to be effective from April 2019.
- 3.13 A review of local Council Tax discounts and premiums will be included as part of the review of the local scheme changes for the introduction of Universal Credit, which will include the change to the empty homes' premium.
- 3.14 Such changes will require wide consultation during summer 2018, with recommendation being brought to the October 2018 Strategy and Resources Scrutiny Committee.

4. Implications

(a) Financial Implications

Page:

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4.1 Council Tax Reductions for 2017-2018 as at 28 November 2017 is £6,289,664 a small increase of £12,171 on the same point last year which is primarily due to the increase in Council Tax Liability itself.

4.2 By retaining the current scheme framework, and applying an early preliminary estimated increase in Council Tax of 2.1%, the Council Tax Reduction spend during 2018-2019 is estimated to be £6,289,915. This calculation is based on a small anticipated reduction in caseload (currently 250 less than this point last year) during 2018/19 and a small increase in the number of claims from working households.

4.3 These modelling assumptions are made with reference to CPI at 3% (September 2017), projected increase in average earnings at 2% for 2018-2019, pension increases of 3% and mirror the freeze in working age benefits and allowances in line with Department for Work and Pensions incomes and allowances.

4.4 Identifiable funding for Council Tax Reduction Schemes was only explicitly stated in local authority baseline funding levels in the new business rates retention system in 2013/14. Since then, government funding for Council Tax Reduction Schemes has not been a separately specified amount and it is now entirely for local authorities to decide how much they are prepared to spend on Council Tax support from general revenue funding, which includes retained business rates.

4.5 Whilst the power to set the scheme rests with billing authorities (Cambridge City Council), it is recognised that the financial impact is shared with precepting authorities (Cambridge City Council's precept is approximately 11%).

4.6 The legislation that brought in Local Council Tax Reduction Scheme from April 2013 also allowed Local Authorities to change some of the Council Tax discounts and exemptions. The Council used these reforms to increase revenue to contribute to the overall funding of the Local Council Tax Reduction Scheme and also promotes bringing empty homes back in to use more quickly.

(b) Staffing Implications

4.7 None identified.

(c) Equality and Poverty Implications

4.8 The current Council Tax Reduction Scheme supports the Council's aspiration to build a fairer Cambridge and help improve the standard of living for individuals and communities on a low income in the city by:

- Helping people on low incomes to maximise their income and minimise their costs
- Reducing the impact of poverty on children and helping low income families with the cost of raising a child
- Making the move into work easier

4.9 A full EqIA was carried out when the scheme was established (and reviewed in 2015) and is not required as there are no proposed changes to the scheme framework.

4.10 The scheme fully meets the Council's responsibilities to protect vulnerable groups including responsibilities under the Child Poverty Act 2010, the Disabled Persons' Act 1986, the Housing Act 1996, as well as the public sector equality duty in section 149 of the Equality Act 2010.

(d) Environmental Implications

4.11 None

(e) Procurement Implications

4.12 None

(f) Community Safety Implications

4.13 None

5. Consultation and communication considerations

5.1 A full consultation was carried out when the scheme was established and is not required as there are no proposed changes to the scheme framework.

6. Background papers

6.1 No background papers were used in the preparation of this report.

7. Appendices

7.1 None

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Naomi Armstrong, Benefits Manager, tel: 01223 - 457752, email: naomi.armstrong@cambridge.gov.uk.

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Item

REVIEW OF USE OF REGULATION OF INVESTIGATORY POWERS ACT

To:

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

Strategy & Resources Scrutiny Committee 22/01/2018

Report by:

Tom Lewis, Head of Legal Practice

Tel: 01223 - 457401 Email: Tom.Lewis@3csharedservices.com

Wards affected:

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

Not a Key Decision

1. Executive Summary

- 1.1 A Code of Practice introduced in April 2010 recommends that Councillors should review their authority's use of the Regulation of Investigatory Powers Act 2000 (RIPA) and set its general surveillance policy at least once a year. The Leader and Executive Councillor for Strategy and Transformation and Strategy and Resources Scrutiny Committee last considered these matters on the 23rd January 2017.
- 1.2 The City Council has not used surveillance or other investigatory powers regulated by RIPA since February 2010.
- 1.3 This report sets out the Council's use of RIPA and the present surveillance policy.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 To review the Council's use of RIPA set out in paragraph 3.5 of this report.
- 2.2 To note and endorse the steps described in paragraph 3.7 and in Appendix 1 to ensure that surveillance is only authorised in accordance with RIPA.
- 2.3 To approve the general surveillance policy in Appendix 1 to this report.

3. Background

Page: 2

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

a) Covert directed surveillance

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

b) Covert human intelligence source ("CHIS")

A covert human intelligence source is someone who establishes or maintains a relationship with a person for the purpose of covertly

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

c) Access to Communications Data

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

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

3.4 Member Supervision of the Use of RIPA

- a. A Home Office Code of Practice provides for a wider supervisory role for councillors. The code states that, at least once a year, councillors should review the Council’s use of RIPA and set the general surveillance policy. This report gives members this opportunity.
- b. The Council has not used RIPA powers since the Code of Practice came into effect. If RIPA powers are used, Councillors should consider internal reports on their use at least on a quarterly basis to ensure that they are being used consistently with the council's policy and that the policy remains fit for purpose. The Code emphasises that councillors should not be involved in making decisions on specific authorisations.

3.5 The Council’s Use of RIPA

- a. The City Council is very sparing in its use of RIPA powers. In fact, it has not authorised the use of RIPA powers in the period covered by this report (January 2017 to January 2018) and not used these powers since February 2010.
- b. As mentioned in Section 3.2 (b) and (c), the Council has never used RIPA powers to authorise the use of “confidential human intelligence sources” or the powers relating to the obtaining of communication data.
- c. When members previously reviewed the Council’s use of RIPA, they asked for information about surveillance etc. carried out by the Council

under an authorisation given by a third party. This might arise where an investigation is being led by another agency (e.g. Police or HMRC) and the Council is asked to assist. There were two occasions in 2015 in which the Council assisted the Police in directed surveillance carried out through of the Council's CCTV. Both related to a single investigation into suspected sexual assault.

3.6 The Protection of Freedoms Act 2012

a. From 1 November 2012, all local authority surveillance authorised under the Regulation of Investigatory Powers Act 2000 (RIPA) has been subject to approval by a Magistrate.

b. Approval can only be given if the Magistrate is satisfied that:

(i) There were reasonable grounds for the authorising officer approving the application to believe that the Directed Surveillance or deployment of a Covert Human Intelligence Source (CHIS) was necessary and proportionate and that there remain reasonable grounds for believing so.

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

(iii) The granting of the authorisation was for the prescribed purpose, which is preventing or detecting crime or disorder and, in the case of directed surveillance, is confined to cases where the offence under investigation carries a custodial sentence of six months or more.

There are also additional safeguards in relation to the use of a CHIS. (As mentioned in paragraph 3.2, The Council has never authorised the use of a "covert human intelligence source" under RIPA.)

3.7 The Council's Surveillance Policy

a. The Council's surveillance policy is set out at Appendix 1. It sets out the tests to apply in determining whether the use of RIPA powers is necessary and proportionate.

b. The policy was updated in 2016 to reflect the Office of Surveillance Commissioners Inspection Report carried out on the 25th April 2016. The report commended the Council on their management of surveillance and made minor amendments to the policy to reflect the Protection of Freedoms Act 2012, which restricted the Local

Authorities powers of surveillance. Local Authorities were previously permitted under s.28 (3)(b) to authorise surveillance where it is necessary “for the purpose of preventing or detecting crime or preventing disorder”. This was subsequently amended in 2012 under 7A (3)(a) and (b) to only permit surveillance for criminal offences which are set to be prevented or detected, whether on summary conviction or on indictment by a max term of at least six months and would constitute an offence under s.146,147,147A of the Licensing Act 2003 or s.7 of the Children’s & Young Persons Act 1993. The latter are all offences involving the sale of tobacco and alcohol to underage children.

- c. The previous Head of Legal Services revised the policy in 2016 following the report.
- d. No further changes to the policy are recommended at present.

4. Implications

(a) Financial Implications Page: 5

None

(b) Staffing Implications

None

(c) Equality and Poverty Implications

A formal equality impact assessment has not been carried out in preparing this report. Equality impact issues are addressed, and safeguards contained, within the body of the general surveillance policy which the Executive Councillor is being asked to endorse. Paragraph 10.5 of the policy highlights the need to consider equality issues as part of considering whether to use RIPA powers. Paragraph 10.7 highlights the special care needed if surveillance might involve obtaining access to religious material. The Head of Legal Services receives copies of all authorisations and takes an overview of the use of RIPA. The member supervision outlined in section 3.4 of this report would also help ensure that the policy is being applied properly.

(d) Environmental Implications

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

(e) Procurement Implications

None

(f) Community Safety Implications

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

5. Consultation and communication considerations

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

6. Background papers

Background papers used in the preparation of this report:

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

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

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

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

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

7. Appendices

(a) City Council RIPA Procedure Guide

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Tom Lewis, Head of Legal Practice, tel: 01223 - 457401, email:

tom.lewis@3csharedservices.com.

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

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

1. Introduction

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

2. What does RIPA do?

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

3. Some definitions

3.1 “Article 8 Rights”

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

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

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

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

3.2 “Covert”

Concealed, done secretly

3.3 “Covert surveillance”

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

3.4 “Directed surveillance”

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

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

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

3.5 “Intrusive surveillance”

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

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

4. RIPA and Surveillance – what is not covered

- 4.1 General observation forms part of the duties of some Council officers. They may, for instance, be on duty at events in the City and will monitor the crowd to maintain public safety and prevent disorder. Environmental Health Officers might covertly observe and then visit a shop as part of their enforcement function. Such observation may involve the use of equipment merely to reinforce normal sensory

perception, such as binoculars, or the use of cameras, where this does not involve systematic surveillance of an individual. It forms a part of the everyday functions of law enforcement or other public bodies. This low-level activity will not usually be regulated under the provisions of RIPA.

- 4.2 Neither do the provisions of the Act cover the use of overt CCTV surveillance systems. Members of the public are aware that such systems are in use, for their own protection, and to prevent crime. (There is a separate Code of Practice adopted by the Council to govern use of CCTV. For information about this, contact Martin Beaumont, CCTV Manager.)

5. RIPA and Surveillance – What is covered?

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

6. What is “directed surveillance”?

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

- a) for the purposes of a specific investigation or operation;
- b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
- c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of the surveillance. (See the clarification of this in paragraph 3.3.)

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

- 6.2 Directed surveillance is conducted where it involves the observation of a person or persons with the intention of gathering private information to produce a detailed picture of a person’s life, activities and associations. However, it does not include covert surveillance carried out by way of an immediate response to events or circumstances which, by their very nature, could not have been foreseen. For example, a plain clothes police officer would not require an authorisation to conceal

himself and observe a suspicious person who he comes across in the course of a patrol.

- 6.3 Directed surveillance does not include any type of covert surveillance in residential premises or in private vehicles. Such activity is defined as "intrusive surveillance" and is dealt with in paragraph 7.
- 6.4 In practice, the sort of directed surveillance which the Council might undertake would include the use of concealed cameras as part of an investigation into antisocial behaviour or breach of tenancy conditions. It might include covert surveillance connected with the enforcement of environmental health or planning regulations or in connection with investigating benefit fraud. You should treat anything involving the use of concealed cameras or anything involving keeping covert observation on premises or people as potentially amounting to directed surveillance. If you are unsure, please take advice either from your manager or supervisor, or from the Head of Legal Practice.
- 6.5 Directed surveillance **must** be properly authorised in accordance with the procedure set out in section 9.
- 6.6 You should treat any covert surveillance which is likely to intrude upon anyone's privacy to more than a marginal extent as directed surveillance, even if it does not fall within the strict terms of the definition – for instance where surveillance is not part of a specific investigation or operation.

7. Directed Surveillance and Social Media

- 7.1 The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Whenever you intend to use the internet as part of an investigation, you must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights, including the effect of any collateral intrusion. (See Section 3 for an explanation of Article 8 rights.)
- 7.2 Any activity likely to interfere with an individual's Article 8 rights should only be used when necessary and proportionate to meet the objectives of a specific case. If your proposed use of social media in connection with an investigation amounts to covert directed surveillance within the scope of RIPA by electronic means, an authorisation in accordance with the procedure set out in section 9. Where an investigator may need to communicate covertly online, for example contacting individuals using social media websites, a CHIS authorisation is likely to be needed and the Head of Legal Service should be consulted.
- 7.3 Where individuals publish information freely (e.g. twitter accounts, LinkedIn profiles), there is unlikely to be any interference with Article 8 rights. This is also likely to be the case with other information published openly on the Internet. Care should be taken with other social media, such as Facebook. Even if the user has not used privacy settings to restrict access, this does not necessarily mean that they have made a decision to publish personal information to the world. It is likely to be proportionate, in connection with an investigation (e.g. benefit fraud) to make a

single visit to an unsecured Facebook profile. Further visits could amount to surveillance. If you are considering monitoring social media such as Facebook in connection with an investigation, you should first seek advice on whether RIPA authorisation is needed.

8. What is intrusive surveillance?

An important warning: the Council cannot authorise intrusive surveillance.

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

9. What is a covert human intelligence source?

- 9.1 A covert human intelligence source is someone who establishes or maintains a relationship with a person for the purpose of covertly obtaining or disclosing information. In practice, this is likely to cover the use of an informer or Council officer to strike up a relationship with someone as part of an investigation to obtain information "under cover".
- 9.2 Someone who volunteers information to the Council, either as a complainant (for instance, about anti-social behaviour or a breach of planning regulations) or out of civic duty, is unlikely to be a covert human intelligence source. If someone is keeping a record, say, of neighbour nuisance, this will not amount by itself to use of a covert human intelligence source. However, if we are relying on, say, a neighbour to ask questions with a view to gathering evidence, then this may amount to use of a covert human intelligence source.
- 9.3 The use by the Council of covert human intelligence sources is expected to be extremely rare and, for that reason, this guide does not deal with the issues to which they give rise. If you are contemplating use of a covert human intelligence

source, please take advice from the Head of Legal Practice before putting your plan into action.

10. Authorising Directed Surveillance: The Rules

10.1 It is crucial that all directed surveillance is properly authorised. Failure to secure proper authorisation and to comply with this procedure could lead to evidence being excluded by the courts and to complaints against the Council. The Council is subject to audit and inspection by the Office of the Surveillance Commissioner and it is important that we can demonstrate compliance with RIPA and with this code.

Again, please note that the Council cannot authorise intrusive surveillance – see section 8.

10.2 **Who can authorise directed surveillance?** Regulations made under the Act say that the most junior level at which authorisations can only be given is by what it refers to as “assistant chief officers”. For the purposes of this Code, authorisations may only be given by the officers identified in the Appendix to this Guide referred to as “authorising officers”. In cases of urgency, if it is not possible to seek authority from an authorising officer, authority may be given by a deputy to an authorising officer, but ratification of that authority should be sought at higher level as soon as practical, and the reasons for urgency recorded on the authorisation form. Where practical, the authorising officer should not be directly involved in the case giving rise to the request for authorisation. (However, an authorising officer may authorise a request made by staff who report to them if they are not directly involved in the case.) Where it is not practical for authorisation to be given by an officer who is not directly involved, this should be noted with reasons on the authorisation form. In addition to internal authorisation, directed surveillance cannot be carried out without the approval of a Magistrate. (See paragraph 10.2 below.)

10.3 **On what grounds can directed surveillance be authorised?** Directed surveillance can only be authorised by local authorities:

- for the purpose of preventing or detecting serious crime where the offence under investigation carries a custodial sentence of six months or more; or
- for the purpose of preventing or detecting conduct which is an offence under—
 - (i) section 146 of the Licensing Act 2003 (sale of alcohol to children);
 - (ii) section 147 of the Licensing Act 2003 (allowing the sale of alcohol to children);
 - (iii) section 147A of the Licensing Act 2003 (persistently selling alcohol to children);
 - (iv) section 7 of the Children and Young Persons Act 1933 (sale of tobacco, etc, to persons under eighteen).”.

When the legislation was introduced, the Council could authorise directed surveillance on other grounds (e.g. in the interests of public safety or in the interests of protecting public health, or to prevent or detect disorder) but the serious crime

ground is the only one available to local authorities. The Police have wider powers to authorise directed surveillance.

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

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

11. Authorising Directed Surveillance: The Procedure

11.1 Applying for authorisation.

- 11.1.1 Detailed guidance on the authorisation procedure and on how to complete the statutory forms is available on the Council’s Intranet at <http://intranet/Guidelines/Docs/RIPA%20Guidance%20Manual.pdf> The individual forms are available separately and links to them are set out in Appendix 3. You

must only use the forms that are on the Intranet, you should read the accompanying notes carefully and follow them when completing the form.

11.1.2 Before submitting an application for authorisation, you must supply a copy of your request to the Head of Legal Practice. You may only submit your application for authorisation if you obtain the approval of the Head of Legal Practice.

11.1.3 A written application for authorisation for directed surveillance should describe in detail any conduct to be authorised and the purpose of the investigation or operation. The application should also include:

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

11.2 Approval by a Magistrate

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

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

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

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

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

11.3 Duration of authorisations

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

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

11.4 Reviews

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

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

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

11.5 Renewals

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

11.5.2 A renewal takes effect at the time at which, or day on which the authorisation would have ceased to have effect but for the renewal. An application for renewal should not be made until shortly before the authorisation period is drawing to an end. Any person who would be entitled to grant a new authorisation can renew an

authorisation. Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation.

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

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

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

11.6 Cancellations

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

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

11.7 Ceasing of surveillance activity

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

12. Record Keeping and Central Record of Authorisations

12.1 In all cases in which authorisation of directed surveillance is given, the Service Head is responsible for ensuring that the following documentation is kept safely for a period of at least three years from the date of authorisation:

- a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the authorising officer;
- a record of the period over which the surveillance has taken place;
- the frequency of reviews prescribed by the authorising officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the authorising officer.

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

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

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

13. Authorising Use of Covert Human Intelligence Sources

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

14. Authorisations by Third Parties

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

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

15. Access to Communications Data

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

16. Covert surveillance outside of RIPA

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

17. Further Information

- 17.1 Departments may wish to develop their own guidance and Environmental Health and Waste Management has already done so. This is to be encouraged. However,

the principles and procedures contained in departmental guidance must be compatible with this guidance.

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

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

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

- Fiona Bryant Strategic Director
- Suzanne McBride Strategic Director

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

Links

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

Intranet Guidance

RIPA Covert Surveillance Forms and Guidance

Regulation of Investigatory Powers Act 2000

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

- [The Regulation of Investigatory Powers Act 2000 - Procedure Guide 2013 \[DOC, 87kB\]](#)

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

RIPA Guidance Manual

- [1. Introduction \[PDF, 0.5MB\]](#)
- [2. Guidance for Authorising Officers \[PDF, 153kB\]](#)
- [3. Completing the RIPA Forms \[PDF, 0.8MB\]](#)

- [4. Seeking Magistrates' Approval \[PDF, 121kB\]](#)
- [5. Non RIPA Surveillance \[PDF, 0.6MB\]](#)

Directed Surveillance (DS) Forms

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

Covert Human Intelligence Source (CHIS) Forms

- [Completing the CHIS Forms.doc \[DOC, 24kB\]](#)
- [CHIS Review \[DOC, 62kB\]](#)
- [CHIS Application \[DOC, 122kB\]](#)
- [CHIS Cancellation \[DOC, 45kB\]](#)
- [CHIS Renewal \[DOC, 61kB\]](#)

[CHIS Non-RIPA Form \[DOC, 89kB\]](#)



Item

Cambridgeshire and Peterborough Combined Authority - Update

To:

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

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

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 Cambridgeshire and Peterborough Combined Authority (CPCA) since the 9 October meeting of Strategy and Resources Scrutiny Committee.
- 1.2 It also attaches a consultation paper from the CPCA on its budget for 2018/19. The closing date for comments is 17 January 2018.

2. Recommendations

2.1 The Executive Councillor is recommended:

- (a) To provide an update on issues considered at the meetings of the Combined Authority held on 25 October, 29 November and 20 December 2017.

- (b) To provide an update on any comments made to the Combined Authority in response to the consultation on its draft budget.

3. Background

- 3.1 Meetings of the Cambridgeshire and Peterborough Combined Authority were held on 25 October, 29 November and 20 December 2017. The decision sheets from the meetings are attached in the appendices for the committee's consideration.

4. Greater Cambridge Greater Peterborough Enterprise Partnership

- 4.1 During 2017 the National Audit Office conducted an investigation of the GCGP LEP. Consequently, the Government lost confidence in the leadership of GCGP LEP and funding for its programmes was withheld. At a meeting of the GCGP LEP held on 19 December the LEP Board agreed to wind itself up as a company. The implications of this were considered at the meeting of the CPCA held on 20 December.
- 4.2 It is proposed that a new Local Enterprise Partnership be established, known as the Business Board, with representation from the key business sectors that will deliver the national and local Industrial Strategy. It will be incorporated as a new company limited by guarantee. The Business Board will comprise a diverse group of business leaders and it will also continue to have public sector representation, including local authority representatives.
- 4.3 The purpose of the Business Board will be to deliver strategic advice to the Combined Authority. Its chair will continue to have representation on the Combined Authority Board with prescribed voting rights and the Mayor will also sit in the Business Board.
- 4.4 The Combined Authority will become the Accountable Body for all business growth funding streams from 1 April 2018. This responsibility will transfer from Cambridgeshire County Council.
- 4.5 The make-up of the Business Board will include senior representation from the following business sectors:
- Digital and Technology
 - Engineering and Manufacturing
 - Agriculture and Food
 - Environment and Water
 - Life Sciences and Pharma

- Housing
- Small and Medium Sized Enterprises
- Education

4.6 It is envisaged that the staffing of the LEP will be merged with that of the Combined Authority to form a single administration. Proposals on this will go back to the Combined Authority in the New Year.

5. Combined Authority Consultation on its Budget

5.1 The Combined Authority approved its draft budget for consultation purposes at its meeting held on 20 December. The following bodies are being consulted in accordance with the Combined Authority's Budget Framework:

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
 CPCA Overview and Scrutiny Committee

5.2 The Combined Authority says that it wants to hear the opinions of all residents, partner organisations, businesses and other interested parties as part of the budget setting process and their response to the following question: **“Do you have any comments to make on the Cambridgeshire and Peterborough Combined Authority draft budget for 2018/19?”**

5.3 The consultation will close on Wednesday, 17 January 2018 and the Combined Authority Board will be provided with feedback on the consultation process at their meeting of 31 January 2018.

5.4 The consultation paper is attached at Appendix D. This does not include the separate draft Mayoral Budget of £212,000 which was approved by the CA Board. The Mayor is not intending to raise a separate precept.

5.5 As the response to the consultation paper needs to be submitted before the meeting of the scrutiny committee, Group leaders and city members

of the CPCA Overview and Scrutiny committee were invited to make any comments directly to the Leader on this issue. An update will be provided at the meeting of the Scrutiny Committee.

6. Implications

(a) Financial Implications

There are no direct financial implications as the Mayor is not intending to raise a precept and the CPCA will not be levying partner authorities.

(b) Staffing Implications

There are no direct staffing implications from this update report.

(c) Equality and Poverty Implications

An EqIA has not been produced as there are no direct equality and poverty implications from this update report.

(d) Environmental Implications

There are no environmental implications from this update report.

(e) Procurement

There are no procurement implications from this update report.

(e) Consultation and communication

The Combined Authority will continue to issue communications about its activities and consult on its work.

(f) Community Safety

There are no community safety implications from this update report.

7. Background papers

7.1 The background papers used in the preparation of this report are listed in the appendices below.

8. Appendices

Appendix A Decision sheet for CPCA meeting 25.10.2017

Appendix B Decision sheet for CPCA meeting 29.11.2017

Appendix C Decision sheet for CPCA meeting 20.12.2017

Appendix D CPCA consultation paper on Budget 2018/19

Appendix E Combined Authority Forward Meetings plan

9. 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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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 25th October 2017

Published: 26th October 2017

Decision review deadline: 5.00p.m. on 2nd November 2017

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Apologies and Declarations of Interest	<p>Apologies received from Councillor Topping, substituted by Councillor Wright, Councillor Reynolds, substituted by Councillor Peach, and Jess Bawden.</p> <p>Councillors Count, Holdich and Howe declared non-statutory disclosable interests under the Code of Conduct in relation to Item 3.2, as members of the Local Enterprise Partnership Board. Councillor Holdich also declared a non-statutory disclosable interest under the Code of Conduct in relation to the same item, as a Director on Opportunity Peterborough appointed by Peterborough City Council;</p>

Item	Topic	Decision
1.2	Minutes – 27th September 2017	It was resolved: to approve the minutes of the meeting of 27th September 2017 as a correct record.
1.3	Petitions	None received.
1.4	Public Questions	None received.
1.5	Forward Plan	It was resolved to: approve the Forward Plan of Executive Decisions dated 23 October 2017 subject to the following changes: <ul style="list-style-type: none"> - Items 12, 13 and 14 had been moved from November to the December meeting. - Adult Education Budget Devolution, and Transport update had been added to the November meeting
	Part 2 –Non Key Decision	
2.1	Market Town Masterplans: St Neots	It was resolved to: <ul style="list-style-type: none"> a) welcome the analysis and findings of the first phase of the Masterplan for St Neots; b) endorse the development of the next phase of the Masterplan through the creation of a “St Neots Masterplan Partnership”; c) note that a total investment programme of up to £5.8m was needed to unlock the growth potential of St Neots within existing plans; d) request that officers work with the St Neots Masterplan Partnership to develop a business case for collective investment in the proposed programme, and bring forward investment proposals to this Board as part of that approach; e) establish that any proposals for Combined Authority investment that were brought

		<p>forward were in line with the Authority's Investment Strategy as set out in paragraph 3.8;</p> <p>f) note the intention to promote the development of masterplans for market towns in Cambridgeshire, as part of the Combined Authority's wider economic strategy.</p>
Item	Topic	Decision
	Part 3 – Key Decision	
3.1	Priority Transport Schemes	<p>It was resolved to:</p> <p>a) Agree a total budget allocation of £4.53m, comprising £3.53m in 17/18 and £1.0m in 18/19 for the rolling programme of priority transport and infrastructure schemes</p> <p>b) Note the intention to deliver this 4 year programme of priority transport and infrastructure schemes, and the indicative level of future investment.</p> <p>c) Note the governance and budget management arrangements, and the intention to bring the pipeline back to the Board on an annual basis. In the future it is intended to maintain and develop this programme beyond the current 4 year.</p>
	Part 3 – Non Key Decision	
3.2	Funding requests in place of Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership	<p>It was resolved to:</p> <p>(a) Note the urgent funding requests made by</p> <ol style="list-style-type: none"> i. The Independent Economic Commission ii. Opportunity Peterborough <p>(b) Note the funding approvals already given in relation to the Independent Economic Commission and Opportunity Peterborough to ensure important priority objectives could be met.</p> <p>(c) Note that upon restoration of funding to the Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP) the Combined Authority would make applications to the GCGP LEP Board to restore the funding position of</p>

		the Combined Authority.
	Part 4 – Budget and Fiscal decisions	
4.1	Budget Preparation and Consultation Proposals	<p>It was resolved to:</p> <ol style="list-style-type: none"> 1. approve the proposed timetable and the consultees to be involved in the consultation of the Combined Authority’s budget 2018/19. 2. Note the emerging strategic themes for the 2018/19 budget.
4.2	Budget Update	<p>It was resolved to:</p> <ol style="list-style-type: none"> 1. Note the budget updates as requested for approval in other Board reports on this meeting’s agenda. 2. Approve the use of interest receivable balances to cover committed additional support costs as set out in paragraph 3.6. 3. Note the budget updates as requested for approval as set out for approval in paragraph 3.5. 4. Approve funding of £30.6k for the contribution to phase 1 of the development of a National Evaluation Framework. 5. Note the updated budget and indicative resources for 2017/18 and 2018/19 to 2020/21 as set out in Appendices A and B
	Part 5 – Date of Next Meeting	
5.1	Date of Next Meeting	It was resolved to note the date of the next meeting – Wednesday 29 November 2017 at 10.30am at South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge CB23 6EA

Notes:

- (a) Statements in bold type indicate additional resolutions made at the meeting.
- (b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Michelle Rowe Telephone: 01223 699180 /e-mail: michelle.rowe@cambridgeshire.gov.uk

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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 29th November 2017

Published: 30th November 2017

Decision review deadline: 5.00p.m. on 7th December 2017

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Apologies and Declarations of Interest	Apologies received from Councillor Holdich, substituted by Councillor Fitzgerald, and Councillor Topping, substituted by Councillor Nick Wright.

Item	Topic	Decision
1.2	Minutes – 27th September 2017	<p>It was resolved:</p> <p style="text-align: center;">to approve the minutes of the meeting of 25th October 2017 as a correct record.</p>
1.3	Petitions	None received.
1.4	Public Questions	None received.
1.5	Forward Plan	<p>It was resolved to:</p> <p style="text-align: center;">approve the Forward Plan of Executive Decisions dated 20 November 2017.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 284</p> <p>1.6</p>	Membership of the Combined Authority – Amendments	<p>It was resolved to note the following appointments made by Huntingdonshire District Council for the remainder of the municipal year 2017/2018:</p> <p>(a) Councillor Graham Bull to replace Councillor Robin Howe as its Member to the Combined Authority;</p> <p>(b) Councillor Ryan Fuller as Councillor Graham Bull’s substitute to the Combined Authority.</p> <p>The Board also noted that the Mayor had appointed Councillor Charles Roberts as his statutory Deputy Mayor.</p>
Part 2 – Key Decisions		
2.1	Cambridgeshire and Peterborough Strategic Bus Review	<p>It was resolved to:</p> <p>a) Agree to undertake a Bus Review within the scope and terms of reference set out in this report.</p> <p>b) Agree a total budget allocation of £150,000 to undertake the Bus Review.</p>

		<p>c) Note the intention to use this Bus Review to inform a future Combined Authority Bus Strategy which would be developed as part of the future Local Transport Plan.</p> <p>d) Note that the Bus Review would seek to recognise the issues faced in certain areas of Cambridgeshire following the recent withdrawal of some commercial services.</p>
	Part 3 – Other Decisions	
3.1	Transport Update	<p>It was resolved to:</p> <p>a) Note that the Cambridgeshire and Peterborough Combined Authority, as the local transport planning authority, delegated its transport powers and transport funding to Cambridgeshire County Council and Peterborough City Council for 2017/18;</p> <p>b) Agree to report back to the Board in December on the implications of the Combined Authority assuming the decision making powers for strategic transport planning matters and the impact of that for the upper-tier authorities and other bodies</p> <p>c) Approve the draft Statutory Instrument (Appendix 1) enabling the Combined Authority to levy the upper tier authorities for delivery of the transport functions</p>
3.2	Adult Education Budget Devolution: Transitional Arrangements and Resourcing	<p>It was resolved to:</p> <p>(a) Note the steps taken to prepare the Combined Authority for full devolution of the Adult Education Budget in time for the 2019/20 academic year;</p> <p>(b) Agree the Combined Authority’s approach to working with the Department for Education during the proposed ‘transitional’ 2018/19 academic year; and</p> <p>(c) Agree £40,000 of extra resource to ensure that the Combined Authority was equipped to prepare for AEB devolution.</p>

3.3	Appointment of Legal Counsel & Monitoring Officer, and Loan of Chief Executive	<p>It was resolved to:</p> <p>(a) appoint Kim Sawyer as Legal Counsel and Monitoring Officer,</p> <p>(b) note that the Mayor had exercised his general power of competence on behalf of the Combined Authority to agree to loan the Chief Executive to the Greater Cambridgeshire Greater Peterborough Enterprise Partnership on a part time and interim basis.</p>
3.4	Budget Update Report – 2017-18	<p>It was resolved to:</p> <ol style="list-style-type: none"> 1. Note the budget updates as requested for approval in other Board reports on this meeting's agenda. 2. Note the budget update made under delegated authority as set out in paragraph 3.5. 3. Note the updated budget and indicative resources for 2017/18 and 2018/19 to 2020/21 as set out in Appendices A and B
Part 4 – Date of Next Meeting		
4.1	Date of Next Meeting	<p>It was resolved to note the date of the next meeting – Wednesday 20 December 2017 at 10.30 am in Committee Rooms 1 & 2, Cambridge City Council, Guildhall, Cambridge</p>

Notes:

- (a) Statements in bold type indicate additional resolutions made at the meeting.
- (b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Michelle Rowe Telephone: 01223 699180 /e-mail: michelle.rowe@cambridgeshire.gov.uk

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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 20th December 2017

Published: 21st December 2017

Decision review deadline: 5.00p.m. on 2nd January 2018

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Apologies and Declarations of Interest	<p>Apologies received from Councillors J Holdich and P Topping, and Jess Bawden substituted by Gary Howsam.</p> <p>Councillor Count declared a non-statutory disclosable interest under the Code of Conduct in relation to Item 2.4, as a member of the Local Enterprise Partnership Board.</p>

Item	Topic	Decision
1.2	Minutes – 29 November 2017	<p>It was resolved:</p> <p style="text-align: center;">to approve the minutes of the meeting of 29th November 2017 as a correct record.</p>
1.3	Petitions	None received.
1.4	Public Questions	None received.
1.5	Forward Plan	<p>It was resolved to:</p> <p style="text-align: center;">approve the Forward Plan of Executive Decisions dated to be published on 22 December 2017.</p>
Page 290	Part 2 – Non-Key Decisions	
	2.1	Transport: Developing our Decision Making and Delivery arrangements

2.2	Establishing the Cambridgeshire and Peterborough Land Commission	<p>It was resolved to:</p> <ul style="list-style-type: none"> (a) Agree the Terms of Reference for the Land Commission (2.7-2.9) (b) Agree the membership and appoint the portfolio holder for Spatial Planning as the Chair of the Land Commission (2.10-2.15) (c) Agree the timetable for implementation of the Land Commission and ask the Chair of the Land Commission to bring regular progress reports to the Board (d) Approve a budget allocation of up to £80,000 to support the work of the Land Commission
2.3	Update on Peterborough University Business Cases and Project Progress	<p>It was resolved to:</p> <ul style="list-style-type: none"> (a) Note the current progress being made by partners on the University project
2.4	Establishing a new Stronger Public and Private Sector Partnership in Cambridgeshire and Peterborough	<p>It was resolved to:</p> <p>not exclude the press and public when considering Appendix 1 as the Board would be considering exempt information under categories 3 and 4 of schedule 12A of the Local Government Act 1972.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> (a) Note the decisions proposed to the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership Board (GCGP LEP) regarding the future of its Company; (b) Note that the GCGP LEP had accepted the proposals made to it, and: <ul style="list-style-type: none"> i. To note that it was proposed that a new Local Enterprise Partnership would be established in the form of a Business Board; ii. To note the future working relationship of the Combined Authority and the new

		<p>Business Board, and the membership of the new Business Board;</p> <p>iii. Agree that the Combined Authority shall become the Accountable Body for the Business Board from 1st April 2018.</p> <p>(c) note that periodic reports would be made to the Combined Authority Board from the New Year regarding the arrangements for the future working relationship between the two Boards.</p>
	Part 3 – Budget Decisions	
3.1	Budget 2018-19	<p>It was resolved to:</p> <p>consider and approve the draft 2018/19 Combined Authority budget for consultation purposes.</p>
3.2	Budget 2018-19 (Mayor’s Budget)	<p>It was resolved to:</p> <ol style="list-style-type: none"> 1. Review the Mayor’s draft budget for 2018/19 2. Approve the draft budget in its current form.
	Part 4 – Date of Next Meeting	
4.1	Date of Next Meeting	<p>It was resolved to note the date of the next meeting – Wednesday, 31 January 2018 at 10.30 am in the Kreis Viersen Room, Shire Hall, Cambridge</p>

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Notes:

(a) Statements in bold type indicate additional resolutions made at the meeting.

(b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Michelle Rowe Telephone: 01223 699180 /e-mail: michelle.rowe@cambridgeshire.gov.uk



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY – BUDGET 2018/19 CONSULTATION

**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Topic of this consultation:

This consultation covers the draft Combined Authority Budget for 2018/19.

Scope of this consultation:

This consultation seeks views on the draft Cambridgeshire and Peterborough Combined Authority budget 2018/19, as set out below.

Background:

In accordance with the Cambridgeshire and Peterborough Combined Authority Constitution, “the draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes only, before the end of December each year. The Combined Authority Board will also agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Local Enterprise Partnership and the Overview and Scrutiny Committee.”

The Combined Authority agreed the following timetable for consultation of the draft budget and the following consultees at the Board meeting held on 25th October 2017.

Timetable:

<u>Date</u>	<u>Activity</u>
Mon 23rd Oct 2017	Overview & Scrutiny meeting
Wed 25th Oct 2017	Combined Authority Board meeting - Date for CA to agree consultation timetable and consultees
Mon 18th Dec 2017	Overview & Scrutiny meeting
Wed 20th Dec 2017	Combined Authority Board meeting - Date for CA to consider and approve draft 2018/19 CA budget for consultation purposes - Date for CA to receive and consider the Mayor's draft budget. - Date for CA to report on the Mayor's draft budget
Thurs 21st Dec 2017 to Wed 17th Jan 2018	- 4 week consultation period for CA budget
Tue 23rd Jan 2018	- Proposed Deadline for the Mayor to respond to the CA report
Mon 29th Jan 2018	Overview & Scrutiny meeting
Wed 31st Jan 2018	Combined Authority Board meeting - Date for CA to receive results of consultation on CA budget - Date for CA to receive and consider the CA draft budget. - Date for CA to veto or approve the Mayor's draft budget.
Date in Feb 2018 (tbc)	Combined Authority 'Special' Board meeting to approve 2018/19 budget - Date for CA to approve the CA budget - Date for CA to agree the amounts and calculations of the costs of the mayoral functions to be met from precepts issued by the authority (if any).
Sun 1st Apr 2018	First day of the 2018/19 financial year

Consultees:

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
CPCA Overview and Scrutiny Committee

The budget proposals will also be set out on the Combined Authority web site with an invitation for feedback from residents and businesses.

Duration:

This consultation will last for four weeks from Thursday 21st December 2017 to Wednesday 17th January 2018.

Enquiries:

For any enquiries about the consultation please contact Jon Alsop

Jon.alsop@cambridgeshirepeterborough-ca.gov.uk or on 01733 452 200

How to respond:

Please send any responses to this consultation by e-mail to:

Jon.alsop@cambridgeshirepeterborough-ca.gov.uk

Cambridgeshire and Peterborough Combined Authority Draft Budget 2018/19	Programme Requirements			Funding Source					
	Approved' 2018/19 Budget - per Nov Board (£k)	Anticipated New Funding Requirement (£k)	Total Draft Budget CPCA 2018/19 (£k)	Gain Share Revenue (£k)	Gain Share Capital (£k)	Housing - General (£k)	Housing - Cambridge (£k)	Other (£k)	Total (£k)
Reserves Funding Brought Forward from 1 April 2018				3,482.7	16,292.0	37,190.0	21,000.0	446.0	78,410.7
2018/19 Funding Receivable				8,000.0	12,000.0	15,000.0	17,000.0	41,137.0	93,137.0
Additional Funding Receivable (Autumn Budget)				1,000.0	-	-	-	74,000.0	75,000.0
Operational Budget									
Staffing Costs	1,731.2	49.7	1,781.0	1,320.4	460.5	0.0	0.0	0.0	1,781.0
Support provided by Constituent Authorities	109.0	343.0	452.0	452.0	0.0	0.0	0.0	0.0	452.0
Corporate Overheads	162.9	115.8	278.7	278.7	0.0	0.0	0.0	0.0	278.7
Corporate Income	0.0	-508.6	-508.6	-508.6	0.0	0.0	0.0	0.0	-508.6
Election costs	260.0	0.0	260.0	260.0	0.0	0.0	0.0	0.0	260.0
Governance Costs	2.0	0.0	2.0	2.0	0.0	0.0	0.0	0.0	2.0
Total Operational Budget	2,265.1	0.0	2,265.1	1,804.5	460.5	0.0	0.0	0.0	2,265.1
Workstream Budget									
Rural Areas, Culture, Parks and Open Spaces									
No additional budget requirements identified as yet	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Rural Areas, Culture, Parks and Open Spaces	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiscal									
No additional budget requirements identified as yet	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Fiscal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Strategy									
IEC: Developing Economic Strategy	0.0	201.0	201.0	201.0	0.0	0.0	0.0	0.0	201.0
Market Town Masterplan (2nd Tranche)	0.0	150.0	150.0	150.0	0.0	0.0	0.0	0.0	150.0
Total Economic Strategy	0.0	351.0	351.0	351.0	0.0	0.0	0.0	0.0	351.0
Transport and Infrastructure									
Transport & Infrastructure Schemes									
d) Wisbech Garden Town Study	3,250.0	0.0	3,250.0	0.0	3,250.0	0.0	0.0	0.0	3,250.0
Local Transport Plan	300.0	0.0	300.0	300.0	0.0	0.0	0.0	0.0	300.0
Priority Transport Schemes	1,000.0	11,900.0	12,900.0	3,225.0	9,675.0	0.0	0.0	0.0	12,900.0
Strategic Bus Review	90.0	0.0	90.0	90.0	0.0	0.0	0.0	0.0	90.0
Mass Rapid Transport Phase 2	0.0	500.0	500.0	500.0	0.0	0.0	0.0	0.0	500.0
Dualling of A47 Phase 2	0.0	300.0	300.0	300.0	0.0	0.0	0.0	0.0	300.0
M11 Extension to A47 - Phase 2	0.0	300.0	300.0	300.0	0.0	0.0	0.0	0.0	300.0
Upgrading of A10 Phase 2	0.0	500.0	500.0	500.0	0.0	0.0	0.0	0.0	500.0
Local Transport Plan (estimate)	0.0	13,483.0	13,483.0	0.0	0.0	0.0	0.0	13,483.0	13,483.0
LTP Capital Grant (estimate)	27,654.0	0.0	27,654.0	0.0	0.0	0.0	0.0	27,654.0	27,654.0
Total Transport and Infrastructure	32,294.0	26,983.0	59,277.0	5,215.0	12,925.0	0.0	0.0	41,137.0	59,277.0

Cambridgeshire and Peterborough Combined Authority Draft Budget 2018/19	Programme Requirements			Funding Source					
	Approved' 2018/19 Budget - per Nov Board (£k)	New Funding Requirement (£k)	Total Draft Budget CPCA 2018/19 (£k)	Gain Share Revenue (£k)	Gain Share Capital (£k)	Housing - General (£k)	Housing - Cambridge (£k)	Other (£k)	Total (£k)
<u>New Homes & Communities</u>									
Programme delivery support to the Housing Programme.	240.0	0.0	240.0	0.0	0.0	240.0	0.0	0.0	240.0
Modular Housing	0.0	100.0	100.0	0.0	0.0	100.0	0.0	0.0	100.0
Housing Investment Fund Programme - Quick Wins	1,820.0	0.0	1,820.0	0.0	0.0	1,820.0	0.0	0.0	1,820.0
Rural Housing	0.0	100.0	100.0	0.0	0.0	100.0	0.0	0.0	100.0
Support Research & Policy post at CRHB	0.0	10.0	10.0	0.0	0.0	10.0	0.0	0.0	10.0
New Schemes £100m programme	0.0	1,000.0	1,000.0	0.0	0.0	1,000.0	0.0	0.0	1,000.0
Land Acquisition £100m programme	0.0	2,500.0	2,500.0	0.0	0.0	2,500.0	0.0	0.0	2,500.0
Total New Homes & Communities	2,060.0	3,710.0	5,770.0	0.0	0.0	5,770.0	0.0	0.0	5,770.0
<u>Employment & Skills</u>									
University of Peterborough - Interim Accommodation	0.0	500.0	500.0	500.0	0.0	0.0	0.0	0.0	500.0
University of Peterborough - Student Facilities	0.0	1,175.0	1,175.0	1,175.0	0.0	0.0	0.0	0.0	1,175.0
Skills Hub	231.0	0.0	231.0	231.0	0.0	0.0	0.0	0.0	231.0
Total Employment & Skills	231.0	1,675.0	1,906.0	1,906.0	0.0	0.0	0.0	0.0	1,906.0
<u>Strategic Planning</u>									
Non Statutory Spacial Plan (Phase 2)	0.0	200.0	200.0	200.0	0.0	0.0	0.0	0.0	200.0
Land Commission	0.0	80.0	80.0	80.0	0.0	0.0	0.0	0.0	80.0
Total Strategic Planning	0.0	280.0	280.0	280.0	0.0	0.0	0.0	0.0	280.0
<u>Public Sector Reform</u>									
Independent Commission and Reform Programme	0.0	877.6	877.6	877.6	0.0	0.0	0.0	0.0	877.6
Total Public Sector Reform	0.0	877.6	877.6	877.6	0.0	0.0	0.0	0.0	877.6
Total Budget	36,850.1	33,876.6	70,726.7	10,434.1	13,385.5	5,770.0	0.0	41,137.0	70,726.7
Reserves Balance Carried Forward as at 31 March 2019				2,048.6	14,906.5	46,420.0	38,000.0	74,446.0	175,821.0

CPCA Budget Strategy 2018/19

The core strategic areas of the Combined Authority will naturally shape the budget proposals for 2018/19. The key themes are described in summary below:

New Homes & Communities

The New Homes and Communities proposals for the 2018/19 Combined Authority budget will focus on the two key affordable housing programmes:

- (a) Cambridge City's £70m development of a portfolio of Council-owned sites, delivered by the City's Housing Development Agency.
- (b) The £100m affordable housing development programme for the rest of the Combined Authority area, which will comprise grant funding to Registered Providers already approved in July 2017 under the 'Quick Wins' programme, and further schemes of this nature brought forward under Continuous Market Engagement.

Subject to the anticipated approval of the Combined Authority's Housing Strategy in February 2018, and satisfactory progress with other initiatives, the 2018/19 budget may also consider provision for a series of interventions to:

- (a) unlock, or accelerate, the development of sites producing new affordable homes;
- (b) cover the progression of other priority housing-related initiatives such as support for Community Land Trusts and small and medium sized (SME) constructors, and the progression of an Off-Site Manufacture construction facility; and
- (c) bring forward the business cases for further strategic sites and schemes such as those identified in the Government's Housing Investment Fund.

Transport and Infrastructure

The Budget proposals for Highways and Infrastructure will focus on three key areas:

- Strategy development
- Strategic delivery schemes
- Priority delivery schemes

Strategy development will largely be centred on the development of the Local Transport Plan and a Bus Strategy.

With regard to strategic schemes, funding is already committed to a number of transport projects with studies underway on the A10 Upgrade, the M11 Extension, the A47 Dualling, Wisbech Garden Town and Rapid Mass Transport. Subject to the findings of these studies, further investment can and should be anticipated.

The priority transport schemes will require initial investment of approximately £3.53m with a rolling programme of additional investment to be agreed annually. Wherever possible and appropriate, additional contributions and funding will be sought from a range of sources. This might include further Government and or private sector investment.

In addition to these three areas there may be other, as yet, undefined transport and infrastructure investment opportunities that emerge. These could result from strategy development, changing government priorities, new funding opportunities or other key infrastructure, such as East-West Rail, that has a local impact.

In 2017/18, the Combined Authority received Local Transport Plan (LTP) funding from the Department for Transport (DfT) which was then passported to Cambridgeshire CC and Peterborough CC according to their indicative allocations. Funds were received for the 'Integrated Transport Block' and for Key route Network elements of 'Maintenance Block', 'Incentive' and 'National Productivity Investment Fund'. The 2018/19 Budget setting strategy will consider how the 2018/19 LTP funds receivable from the DfT are managed and whether any elements of the LTP funding should be top-sliced to provide investment into the key route network.

Employment & Skills

The University of Peterborough are expected to bring forward proposals for the next phase of the programme in 2018/19. This is likely to require substantial capital investment. An overarching investment strategy for the new University will be needed along with any specific proposals for further funding contributions from the Combined Authority.

In 2018/19 the Combined Authority will for the first time have oversight of the Adult Education Budget. The Combined Authority will work with the Department for Education, our colleges and local education providers to influence spend of the multi-million pound adult education budget in the next academic year, before taking full devolution of the budget in 2019/2020.

Enabling and supporting Apprenticeship schemes is a strategic area of potential investment for the Combined Authority. The Budget will consider any further funding proposals in this area.

Economic Development and Strategic Planning

During the 2018/19 year the Combined Authority will undertake two major and related programmes to progress the spatial planning agenda for Cambridgeshire and Peterborough. These are the development of Non Statutory Spatial Plan (Phase 2), and the implementation of the Land Commission. Specific recommendations will be brought to the Board for approval to undertake these programmes.

The Combined Authority has in 2017/18 approved the formation of an independent Economic Commission to provide the evidence base and strategic advice to inform the delivery of the inaugural Local Industrial Strategy for Cambridgeshire and Peterborough, this work will continue in 2018/19 during which time the Local Industrial Strategy will be published. In addition to this, the Combined Authority has set out its intention to develop a programme of Masterplans for every Market Town in the county as part of the mechanism to turn the local industrial strategy into realisable delivery plans.

The 2018/19 Programme budget will develop through the approach and processes set out in the Assurance Framework.

Combined Authority – Operational Budget

There is no increase in the Combined Authorities net Operational budget for 2018/19 beyond the amount which the Board has already approved. Additional costs, for example to provide for specialist legal support required to deal with the increasing volume of contracts and major initiatives forecast in 2018/19 will be covered by income receivable from investments.

Autumn Budget Statement.

In the Autumn budget statement delivered by the Chancellor of the Exchequer on 22nd November 2017, a number of announcements were made which are likely to have an impact on the Combined Authority's budget in 2018/19. These include:

- £1m extra Capacity Building funds for both 2018/19 and 2019/20 - to support the running costs and overhead burden for each of those two years
- £74m allocation from the Transforming Cities Fund for the delivery of local transport priorities - we await Governments confirmation of the terms and conditions attached to this additional funding
- The Cambridge-Oxford expressway - a 30 year investment programme, and
- Government funding of £5m for the Cambridge South station.

The Budget will be updated once the implications of these additional funds are better known.

Other significant factors affecting the 2018/19 budget.

The draft budget for 2018/19 combines allocations already approved by the Combined Authority Board together with likely additional budgetary requirements that Officers and Portfolio Holders have identified to support their wider strategic plans. These anticipated new funding requirements will follow standard governance processes and will be subject to further Board approval for specific funding requests.

The 2018/19 budget will also be subject to other significant events, such as the sharing of resources with other organisations, which may also have an impact on the annual budget.

Precept.

There is no proposal to precept constituent authorities under Section 40 of the Local Government Finance Act 1992 for the 2018/19 financial year.

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CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY'S FORWARD PLAN OF EXECUTIVE DECISIONS

TO BE PUBLISHED: 22 DECEMBER 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.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION / DECISION	CONSULTATION	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES AND REASONS FOR EXEMPTION)
1.	Minutes of the Meeting on 29 November 2017	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	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.	Establishing the Cambridgeshire and Peterborough Land Commission	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	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
3.	Update on Peterborough University Business Cases and Project Progress	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	Relevant internal and external stakeholders	Stephen Rosevear Interim Director of Skills	Councillor John Holdich 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.
4.	Transport Developing our Decision Making and Delivery Arrangements	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	Relevant internal and external stakeholders	Keith McWilliams, Interim Director of Transport and Infrastructure	Mayor James Palmer/ Councillor John Clark 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

5.	Establishing a new Stronger Public and Private Sector Partnership in Cambridgeshire and Peterborough	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	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
6.	Budget 2018-19	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	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.
7.	Budget 2018-19 (Mayor's Budget)	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count, Portfolio Holder for Fiscal,	
	Forward Plan	Cambridgeshire and Peterborough Combined Authority	20 December 2017	Decision	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.
9.	Minutes of the Meeting on 20 December 2017	Cambridgeshire and Peterborough Combined Authority	31 January 2018	Decision	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.
10.	Housing Delivery Programme	Cambridgeshire and Peterborough Combined Authority	31 January 2017	Key Decision 2017/012	Relevant internal and external stakeholders	David Keeling, Interim Director of Housing	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

11..	Housing – Modern Methods of Construction Outline Business Case	Cambridgeshire and Peterborough Combined Authority	31 January 2017	Key Decision 2018/011	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
12.	Housing Scheme Approvals	Cambridgeshire and Peterborough Combined Authority	31 January 2017	Key Decision 2018/004	Relevant internal and external stakeholders	David Keeling Interim Director of Housing	Councillor Peter Topping, Portfolio Holder for Homes and Communities	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
13.	Business Board – Establishment	Cambridgeshire and Peterborough Combined Authority	31 January 2018	Decision	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive,	Cllr Charles Roberts, Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
14.	Rapid Mass Transport	Cambridgeshire and Peterborough Combined Authority	31 January 2018	Key Decision 2018/005	Relevant internal and external stakeholders	Keith McWilliams, Interim Director of Transport and Infrastructure	Mayor James Palmer/ Councillor John Clark 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.
15.	Mayor’s Budget 2018/19	Cambridgeshire and Peterborough Combined Authority	31 January 2018	Decision	Relevant internal and external stakeholders	Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Mayor James Palmer /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.
16.	Budget 2018/19	Cambridgeshire and Peterborough Combined Authority	31 January 2018	Decision	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.

17.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	31 January 2018	Decision	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.
18.	Minutes of the Meeting on 31 January 2018	Cambridgeshire and Peterborough Combined Authority	14 February 2018 (tbc)	Decision	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.
19.	Budget Report 2018/19 to 2021/22 including Mayors Budget	Cambridgeshire and Peterborough Combined Authority	14 February 2018 (tbc)	Key Decision 2018/001	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.
20.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	14 February 2018 (tbc)	Decision	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.
21.	Minutes of the Meeting on 31 January 2018	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	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.
22.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	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.
23.	Cambridgeshire and Peterborough 2030	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Key Decision 2018/007	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.	Cambridgeshire and Peterborough – 4 Year Plan	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Key Decision 2018/010	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.	Skills Strategy	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Key Decision 2018/002	Relevant internal and external stakeholders	Stephen Rosevear Interim Director of Skills	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.
26.	Peterborough University Centre, Phase 2 - Business Case Approval	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Key Decision 2018/012	Relevant internal and external stakeholders	Stephen Rosevear Interim Director of Skills	Councillor John Holdich 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.
27.	Community Land Trusts – Support and Promotion	CPCA	28 February 2018	Key Decision 2018/013	Relevant Internal and External stakeholders	David Keeling Interim Director of Housing	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
28.	Business Board – Establishment	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive,	Cllr Charles Roberts, Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
29.	Economic Commission	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Cllr Charles Roberts, Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

30.	A10 Upgrade	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	Relevant internal and external stakeholders	Keith McWilliams, Interim Director of Transport and Infrastructure	Mayor James Palmer/ Councillor John Clark 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
31.	Transport: Developing Our Decision Making and Delivery Arrangements	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	Relevant internal and external stakeholders	Keith McWilliams, Interim Director of Transport and Infrastructure	Mayor James Palmer/ Councillor John Clark 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.	Governance Report	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and 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
33.	Business Rate Retention	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	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.	Budget Update	Cambridgeshire and Peterborough Combined Authority	28 February 2018	Decision	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.
35.	Minutes of the Meeting on 28 February 2018	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Decision	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.

36.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Decision	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.
37.	Non-Statutory Spatial Plan	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Key Decision 2018/006	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.
38.	Priority Transport Scheme	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Key Decision 2018/014	Relevant internal and external stakeholders	Keith McWilliams, Interim Director of Transport and Infrastructure	Mayor James Palmer/ Councillor John Clark 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.
39.	Business Plan	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Decision	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.
40.	Public Sector Reform	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Key Decision 2018/008	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
41.	Budget 2018/2019	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Decision	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.

42.	Housing Strategy	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Key Decision 2018/015	Relevant Internal and external stakeholders	David Keeling, Interim Director of Housing	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
43.	Housing Strategy and Action Plan	Cambridgeshire and Peterborough Combined Authority	28 March 2018	Key Decision 2018/003	Relevant internal and external stakeholders	David Keeling, Interim Director of Housing	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
44.	Minutes of the Meeting on 28 March 2018	Cambridgeshire and Peterborough Combined Authority	25 April 2018	Decision	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.
45.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	25 April 2018	Decision	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.
46.	Wisbech Garden Town Feasibility Study Update	Cambridgeshire and Peterborough Combined Authority	25 April 2018	Decision	Relevant internal and external stakeholders	Martin Whiteley, Chief Executive	Cllr Charles Roberts, Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
47.	Major Road Business Case Development (A10, A47 M11 Update)	Cambridgeshire and Peterborough Combined Authority	25 April 2018	Decision	Relevant internal and external stakeholders	Keith McWilliams, Interim Director of Transport and Infrastructure	Mayor James Palmer/ Councillor John Clark 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.

48.	Budget Update	Cambridgeshire and Peterborough Combined Authority	25 April 2018	Decision	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.
49.	Annual Meeting:– To consider actions detailed in Section 3.2 of the Combined Authority’s Constitution	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 30 May 2018	Decision	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.
50.	Minutes of the Meeting on 25 April 2018	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 30 May 2018	Decision	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.
51.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 30 May 2018	Decision	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.
52.	Budget Update	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 30 May 2018	Decision	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.
53.	Housing – Modern Methods of Construction Final Business Case	Cambridgeshire and Peterborough Combined Authority	July 2018	Key Decision 2018/016	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

54.	Mayoral Allowance Scheme - Review	Cambridgeshire and Peterborough Combined Authority	November 2018	Decision	Relevant internal and external stakeholders	Kim Sawyer, Interim Monitoring Officer for Combined Authority		It is not anticipated that there will be any documents other than the report and relevant appendices to be published
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**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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Item

CAMBRIDGE JUNCTION CAPITAL PROJECT

To:

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

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

Report by:

Jane Wilson

Tel: 01223 - 457860 Email: jane.wilson@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 FOR PUBLICATION: The appendix relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Non Key Decision

1. Executive Summary

- 1.1 This decision is needed to allow the Cambridge Junction capital project to move to the next stage.
- 1.2 A Joint Project Board was formed between the Council and Cambridge Junction which facilitated agreement of project drivers and outcomes, and considered a high level feasibility and detailed options assessment carried out by external consultants.
- 1.3 As the Council is owner of the freehold of the site, officers have also considered the wider property issues and opportunities provided by any redevelopment scheme.

- 1.4 An arts and cultural infrastructure audit was commissioned in order to provide an evidence base of existing and future needs for professional cultural infrastructure, and to provide underpinning evidence for an options assessment.
- 1.5 An options assessment was carried out looking specifically at Cambridge Junction, which assessed a range of options from 'do nothing' through to 'complete redevelopment of the site'.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the findings from the Arts and Cultural Infrastructure Audit.
- 2.2 Note the findings of the options assessment work.
- 2.3 Approve progression to a detailed study on Option 3 – a partial redevelopment - as the preferred recommendation for redevelopment of Cambridge Junction.
- 2.4 The detailed study on option 3 will be considered within a framework of an outline site wide masterplan options assessment to ensure that:
 - a) The full impacts of the phase 1 study on the wider freehold site are taken into account.
 - b) Outline alternative options are considered at this stage should option 3 be undeliverable.
 - c) The Council is able to ensure best value optimization of its assets on the site.
 - d) The work will support a potential first stage capital bid to Arts Council England and include completion of more detailed work up to RIBA stage 1.

3. Background

- 3.1 Cambridge Junction is a major arts and cultural venue located on the old Cattle market site in Cambridge. The original building, built by the Council and opened in 1990, consisted of an 850 capacity (standing) venue, used predominantly for music, comedy and clubs (known as J1). In 2005 the building was extended to include: one 220 capacity (seated) venue used for contemporary theatre (J2); one rehearsal/community space (J3); and office space. There are two separate entrances, one for

J1 and one for J2/J3, and there is no public internal connection between J1 and J2/J3.

- 3.2 The freehold of the building and the site are both owned by Cambridge City Council, with the venue operated by Junction CDC, a charity which has a lease until 2030, under a peppercorn rent arrangement (agreed as match funding for an earlier capital development).
- 3.3 A joint project board was formed in January 2017 to examine the need and options for a major capital development.
- 3.4 The project board agreed the following initial drivers for a capital development:
 - Significant life-cycle issues with the current building.
 - Significant growth in the city, and around the Junction site
 - Changing nature of the arts and wide potential for remodelling of the venue to meet current and future needs and aspirations.
 - Further potential for the site to deliver more transformational development, including innovation, commercial and residential.
- 3.5 The feasibility and options assessment was split into two parts: an audit of arts and cultural infrastructure to assess overall need through to 2031, followed by a focused options assessment for development of the Cambridge Junction.
- 3.6 The audit of arts and cultural infrastructure demonstrated that there is a need for additional provision, with key findings as follows:
 - There is a sustainable cluster of arts and cultural venues all within 1 mile of the City centre, co-located with good transport links, available parking, the city centre daytime retail offer, and wider night time economy.
 - These venues serve a very large catchment area: analysis of ticket purchasing data showed that a 50% audience catchment covered 29 miles radius, and a 75% catchment area covered 55 miles radius.
 - The total population in these respective catchment areas is circa 1.5 million (50% catchment) and circa 13.5 million (75% catchment).

- Benchmarking against national standards indicates a significant shortfall in multi-use arts venues and theatres; galleries; production, rehearsal and education space.
- Consultation with key stakeholders endorsed the evidence from the audit and a need for more 'contemporary' venue space in particular, production, rehearsal and education spaces, visual art exhibition spaces, and incubation spaces for digital/ creative activities.

3.7 Three recommendations from the audit work have a specific bearing on the redevelopment of Cambridge Junction:

- The identification of multi-use venues and theatres, production, rehearsal and education space as an area of need.
- The importance of location for sustainability, including co-location with transport nodes (Cambridge Junction is in close proximity to Cambridge Railway Station, the Guided Busway, and several bus routes).
- The importance of community level provision and outreach.

3.8 The second phase of work looked at Cambridge Junction itself, and assessed 4 options; from do nothing, through to full redevelopment of the site, with the following outcomes:

- A 'do nothing' (option 1) and 'minor repairs and refurb' (option 2) are not appropriate solutions as they do not solve the issue that the original J1 building is nearing the end of its lifecycle.
- A partial redevelopment (option 3), replacing the original J1 building with a multi-storey facility. The venue would be topped with creative workspace, and building around the existing and relatively new J2 and J3 to provide additional rehearsal and education space, and create a coherent whole, could be achieved in the near to mid-term. The costs have been estimated at circa £17m, with potential investment and grant funding identified to £14.5m-£16.5m. There are time constraints on potential investment.
- A full redevelopment (option 4) is also possible, but at this stage still carries significant unknowns both in terms of timescale and funding.

3.9 The following table sets out a SWOT analysis for option 3 and option 4.

	Option 3 - Partial redevelopment	Option 4 - Full redevelopment
Strengths	<ul style="list-style-type: none"> Retains the distinctive character and feel of the Junction venue Potential for external investors to provide all required funding If City Council capital funding is required, there could be a return on this investment 	<ul style="list-style-type: none"> The scheme could possibly include additional commercial activity and/or a residential element
Opportunities	<ul style="list-style-type: none"> External capital investment in the region of £15m Delivers economic outcomes for the City through creative industry work and office space 	<ul style="list-style-type: none"> A blank canvas to completely reconfigure the site
Weaknesses	Does not include opportunities for any residential development	<ul style="list-style-type: none"> The detailed scheme would take significantly longer to progress at this stage, risking the loss of current external investors If developed all at once, the venue would need to close entirely for at least 2 years Residential elements are difficult to combine with music and performance venues
Threats	Delivering the scheme within the timeframe required to leverage external investors funding	Significantly more expensive option, with higher level of uncertainty over funding routes

3.10 Option 3 is the option for initial phase 1 development, recommended by the Joint Project Board and by City Council Officers. Alongside an opportunity to develop a site wide masterplan, this option provides a good fit with the project drivers at the same time as providing a deliverable solution. The wider outline masterplan will ensure that the first phase (option 3) is planned within the context of assessing future options across the whole Junction site to ensure that this phase and possible future developments deliver a coherent scheme.

- 3.11 The next stage of the project is to progress to the point at which a formal application can be made to Arts Council England for capital funding.
- 3.12 The timing of the next round of Arts Council England capital funding is not yet known, however an announcement could be made during Spring 2018, and to be eligible to apply, the project must be developed to RIBA Stage One.
- 3.13 The work included to RIBA Stage One includes:
- Developing and agreeing the strategic brief and quality objectives / standards.
 - Site and context analysis work.
 - Planning commentary and policies.
 - Proposed site development strategy diagrams and massing.
 - Team responsibilities matrix.
 - Outline programme and budget.
 - Masterplan options assessment.

In addition to these works, the Council will also engage a specialist VAT adviser and theatre design specialists.

4.0 Implications

(a) Financial Implications

Internal project management work undertaken on this project is being supported by Transformation funds.

(b) Staffing Implications

None identified

(c) Equality and Poverty Implications

Not required at this stage, will be completed as part of the next stage work.

(d) Environmental Implications

No impact at this stage. There is an opportunity to explore previously identified and new schemes to improve walking and cycling access to the Cambridge Junction site.

(e) Procurement Implications

Work to take the project to RIBA stage 1 and additional specialist advice will be procured in line with the City Council procurement procedures. Partnering implications will also be considered within the relevant frameworks.

(f) Community Safety Implications

None identified at this stage.

5. Consultation and communication considerations

Consultation with key stakeholders was completed as part of the infrastructure audit and the options appraisal. Prior to any development work being progressed a statement of community engagement will be produced including targeted community consultation.

6. Background papers

None

7. Appendices

Confidential (Exempt document under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jane Wilson tel: 01223 - 457860, email: jane.wilson@cambridge.gov.uk.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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