



Cambridge City Council Notice of Council

Date: Thursday, 18 July 2019

Time: 6.00 pm

Venue: Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ

Contact: democratic.services@cambridge.gov.uk, tel:01223 457000

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ on Thursday, 18 July 2019 at 6.00 pm and I hereby summon you to attend.

Dated 10 July 2019

Yours faithfully

Chief Executive

Agenda

- 1 Minutes
- 2 Mayor's announcements
- 3 Public questions time
- 4 To consider the recommendations of the Executive for adoption
- 4a 2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account (Executive Councillor for Housing) (Pages 7 - 28)

- 4b New Build Housing - Campkin Road (Executive Councillor for Housing) (Pages 29 - 56)
- 4c Annual Treasury Management (Outturn) Report 2018/19 (Executive Councillor for Finance & Resources) (Pages 57 - 78)
- 4d 2018/19 General Fund (Overview) Revenue and Capital Outturn, Carry Forwards and Significant Variances (Executive Councillor for Finance and Resources) (Pages 79 - 122)
- 5 To deal with oral questions
- 6 To consider the following notices of motion, notice of which has been given by:
- 6a Councillor Martinelli: Making Cambridge a Pesticide-Free City

Cambridge City Council notes:

- Pesticides are currently used by the City Council to control plant growth within Cambridge, including in our open spaces.
- City Council teams also use pesticides for the management of grass areas associated with highways under a Service Level Agreement with Cambridgeshire County Council.
- Exposure to pesticides is associated with human disease, harm to wildlife and contamination of our natural resources.
- Safe and effective alternatives to the use of chemical pesticides exist and are in use by other local authorities who have committed to becoming pesticide-free.
- Trials this year of stopping herbicide use in a number of parks in Cambridge have been successful without significant negative impact on either the quality of the area or the Council's resources.
- The City Council does not operate in isolation and engagement from the wider community and other bodies will be necessary to phase out the use of pesticides within the city.

Cambridge City Council therefore resolves to:

- 1) Commit to stopping all use of pesticides on Cambridge City Council's open spaces within the next year
- 2) Bring a report to the Environment and Community Scrutiny Committee defining a strategy for the complete phase out of pesticide use by the end of 2022
- 3) Establish a stakeholder forum including Cambridgeshire County

Council, members of the public and local landowners to assist in implementing the strategy

6b Councillor McQueen: Universal Basic Income Pilot

Council welcomes the concept of a Universal Basic Income (UBI) where citizens are paid a non-means tested sum from the state to cover the basic cost of living. The amount is paid to all citizens, regardless of employment status, wealth, marital status or any other circumstance.

Council believes that UBI is an idea that could address challenges faced by new technologies, the changing world of work, the emergence of extreme poverty for many citizens and increasing wealth inequalities by:

- Rethinking how and why we work
- Contributing to better working conditions
- Ending artificial distinctions between paid and unpaid work, recognising the contribution of unpaid caring, for example
- Contributing to fewer working hours and a better distribution of jobs.

Council also welcomes the recent announcement by Shadow Chancellor John McDonnell that a future Labour Government would bring in a pilot UBI scheme to test the idea and evaluate its operation.

Council therefore requests that the Leader of the City Council writes to the Chancellor of the Exchequer asking the Government to introduce a trial UBI as a matter of urgency and also write to the Shadow Chancellor sharing this motion and asks that Cambridge is considered for any pilot UBI scheme introduced by a future Labour Government.

Council furthermore requests that the Leader writes to our local MPs with the motion and requests they also write to the Chancellor and Shadow Chancellor with the same message.

6c Councillor Massey: EACH Hospices

Council considers we are very lucky here in Cambridge city to be served by the East Anglia Children's Hospice (EACH) that is based in Milton just outside of our city. EACH provides much need care and support to many families in Cambridge city and around East Anglia.

The City Council notes that:

1. On 27 December 2018, NHS England Chief Executive Simon Stevens announced that, over the next five years, up to £7million additional funding would be made available to children's hospices each year on top of the existing £11million Children's Hospice Grant, if CCGs also provide additional match funding.
2. That NHS England subsequently rowed back on this promise in its Long Term Plan and instead, this stated that the additional funding would not be exclusively for children's hospices. Since then, Charity Together for Short Lives* has also received no reassurance from NHS England or government that the children's hospice grant will still be available beyond 2020.
3. A recent survey by charity "Together for Short Lives" of children's hospices found that:
 - i. Overall, the level of funding children's hospices receive from the state has dropped to 21%, down from 27% in 2013/14.
 - ii. The average amount given to each children's hospice charity by local NHS clinical commissioning groups (CCGs) fell by 2% between 2016/17 and 2018/19.
 - iii. This combination of falling funding and increasing costs is hitting our most vulnerable children and their families at a time when Labour Party national policy states that "We will ensure high quality, personalised care for people approaching the end of their life, wherever and whenever they need it."

In response, the Council asks the Leader to

1. Write to the CCG and NHS England and ask that funding for our children local service East Anglia Children's Hospice, and other children's hospices, is protected.
2. Also write to our MP's and encourage them to press The Secretary of State for Health and Social Care Matt Hancock to protect the funding for children's hospices and increase it to £25 million.
3. Write to East Anglia Children's Hospices expressing the Council's thanks on their 30 years anniversary of service to children and families in Cambridge and East Anglia.

6d Councillor Cantrill: Proposed Meadows & Buchan
Street Development

Councillor Cantrill

This Council recognises that there is an urgent need to build social housing in the city to meet the needs of those 2,500 families (approximate) who are currently on the Council's Housing Register.

The programme to build 500 council houses goes some way to address this need. However, the Council is deeply concerned about the proposed Meadows & Buchan Street scheme to provide some of these and the proposal to take a part of St Albans recreation ground in order to deliver the scheme, which provides new homes at the cost of removing public amenity for existing ones. The Council is also concerned that residents have not had a proper opportunity to comment on the proposals through the Council's consultation process.

The Council asks the Executive Councillor for Housing that he:

- I. pause the project and rerun the consultation exercise again, giving residents a further chance to give their input on the scheme on a proper basis; and
- II. should the public response to the new consultation be against St Albans rec land being used that the Executive Councillor for Housing accepts this view and commits to adjust the current proposals accordingly.

7 Written questions

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

Information for the public

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- Website: <http://democracy.cambridge.gov.uk>
- Email: democratic.services@cambridge.gov.uk
- Phone: 01223 457000

HOUSING SCRUTINY COMMITTEE

18 June 2019
5.30 - 7.40 pm

Present: Councillors Bird (Vice-Chair), Cantrill, Hadley, Porrer, Sheil, Thittala, McGerty and O'Reilly

Executive Councillor for Housing: Councillor Johnson

Tenant/Leaseholder Representatives: Lulu Agate, Diane Best, Kay Harris, Christabella Amiteye and Jean-Louis Ayivor

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR HOUSING)</p>
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2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account

The report presented a summary of the 2018/19 outturn position (actual income and expenditure) for services within the Housing Revenue Account, compared to the current budget for the year.

The Housing Scrutiny Committee considered and approved the recommendations by 5 votes to 0.

Accordingly, Council is recommended to:

Approve carry forward requests of £5,256,000 in HRA and General Fund Housing capital resources from 2018/19 to 2019/20 to fund Re-phased net capital spending, as detailed in Appendix D of the Officers report and the associated notes to the appendix.

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Item

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by:

Julia Hovells, Principal Accountant

Tel: 01223 - 457248

Email: julia.hovells@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

Key Decision

1. Executive Summary

1.1 This report presents, for the Housing Revenue Account :

- a) A summary of actual income and expenditure compared to the final budget for 2018/19 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2019/20.
- d) A summary of housing debt which was written off during 2018/19.

2. Recommendations

Under Part 1 of the Housing Scrutiny Committee Agenda, the Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee:

- a) To approve carry forward requests totalling £772,500 in revenue funding from 2018/19 into 2019/20, as detailed in **Appendix C**

Under Part 2 of the Housing Scrutiny Committee Agenda, the Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

- b) Approval of carry forward requests of £5,256,000 in HRA and General Fund Housing capital budgets and associated resources from 2018/19 into 2019/20 to fund re-phased net capital spending, as detailed in **Appendix D** and the associated notes to the appendix.

3. Background

Revenue Outturn

- 3.1 The overall revenue budget outturn position for the Housing Revenue Account is given in the table below.

2017/18 £'000	Housing Revenue Account Summary	2018/19 £'000	% Final Budget
2,317	Original Budget (HRA Use of Reserves)	(3,281)	158%
545	Adjustment – Prior Year Carry Forwards	699	(34%)
(179)	Adjustment – Increased Interest Receipts – Reduced Interest Paid	(61)	3%
(143)	Adjustment – Increased Rent Income	(327)	16%
1	Adjustment – Increased Bad Debt Provision	146	(7%)

(93)	Adjustment – Depreciation	636	(31%)
(6)	Other Adjustments	116	(5%)
2,442	Final Budget	(2,072)	100%
1,160	Outturn	(2,521)	122%
(1,282)	(Under) / Overspend for the year	(449)	(22%)
699	Carry Forward Requests	773	37%
(583)	Resulting Variation for the HRA	324	15%
0	Other variances	0	0%
(583)	Variance and (reduced) / increased use of HRA Reserves	324	15%

- 3.1 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for the HRA for 2018/19. The original revenue budget for 2018/19 was approved by the Executive Councillor for Housing on 17 January 2018.
- 3.2 **Appendix B** provides explanations of the main variance.
- 3.3 **Appendix C** lists revenue carry forward requests.
- 3.4 The net underspend across the Housing Revenue Account of £449,171 incorporates a number of key areas of underspending and overspending.
- 3.5 General HRA Services were £650,679 less than budgeted due in part to deferral of some Housing Transformation activity (£162,221) and in elements of the corporate change programme and contributions to corporate projects (£322,307), particularly the office accommodation strategy, coupled with underspending in City Homes (£112,695) due to vacancies within the team and recruitment to vacant posts at the bottom of pay scales. Underspending in HRA Overheads (£48,721) is due predominantly to there not having been a call on the HRA maternity provision in 2018/19, with services meeting the costs of cover directly, coupled with staff vacancies in the Finance, Business and Application Support Team.

- 3.6 Special HRA Services were overspent by £26,081 due to reduced temporary housing demand (£20,763) and underspending at Ditchburn Place whilst refurbishment is ongoing (£61,783), more than offset by overspending in respect of Virido, Clay Farm (£25,173) where the HRA has had to meet the service charge costs associated with un-sold shared ownership units and Estate Caretaking (£20,064), where grounds maintenance and bulky waste removal costs have increased.
- 3.7 Also displaying in special expenditure as an overspend, is expenditure incurred from Repairs and Renewals (R&R) funds for Temporary Housing, Ditchburn Place and the General Sheltered Schemes (£67,931). These costs are fully funded from ear-marked reserves set aside for this purpose, but budgets are not set for the use of R&R funds as the expenditure fluctuates between years. The existence of the reserve ensures that the impact of these costs is spread out across a period of years, as opposed to tenants experiencing huge swings in the level of service charge for their scheme from year to year.
- 3.8 Repairs expenditure reported a net overspend of £668,309, combining underspending in elements of the revenue planned maintenance programme (£501,032) due to the need to carry out investigative work to some flat blocks for structural issues, with overspending in a number of other areas. Response repairs reported a significant overspend (£582,762), due in part to the need to use sub-contractors to cover both extensive staff training and up-skilling and sickness. This work area requires further detailed review to determine to what extent the base budget is insufficient for future years, and how much of the overspend can be attributed to one-off activity.
- 3.9 Client repairs overspent by £222,918, due to a combination of the cost of major works to property which would otherwise be met from insurance claims if the HRA were to insure the housing stock (£108,000) and the costs of work carried out on behalf of an external organisation (£89,000). The latter is fully offset by an over-achievement in income, which is displayed elsewhere in the HRA.
- 3.10 Technical Services displays an overspend of £142,627 due to a combination of the volume of temporary staff that have been employed during 2018/19 to work on a variety of projects and the need to obtain external expert opinion in respect of a number of structural issues across the housing stock. Less of the staff spend was capitalised in 2018/19, as the nature of the work was focussed on stock condition

surveys and investigations, and not in managing the resulting investment programme.

- 3.11 Cyclical works reported an overspend of £147,612 and void repairs £89,124. The increased cost in cyclical works relates predominantly to the cost of additional electrical inspections in communal areas, where a backlog of works has been identified. The overspend in void repairs is due to a significant rise in the number of empty properties requiring major works in order to attain a lettable standard. In addition the extent of work required has increased resulting in a substantial rise in the average cost of these major repairs.
- 3.12 The contribution to the bad debt provision for 218/19 was significantly lower (£385,361) than anticipated, as a direct result of maintaining the position in respect of rent arrears to date, despite the rollout of Universal Credit
- 3.13 Income received in the HRA was greater than anticipated (£32,271), combining over-achievement in garage and commercial property rents, recharges and contributions received, with an under-achievement in service charges for the year, with this due to a combination of vacant units at Ditchburn Place and the inability to sell all of the shared ownership units at Virido.

Capital Outturn

- 3.14 The overall capital budget outturn position for the Housing Capital Investment Plan (HRA and Housing General Fund) is provided in the table below. **Appendix D** shows the outturn position by programme with the associated notes providing explanations of variances.

2017/18 £'000	HRA Capital Summary	2018/19 £'000	% Final Budget
47,263	Original Budget	41,105	111%
2,668	Adjustments (Re-phasing -prior year)	3,099	8%
(25,905)	Other Adjustments	(7,205)	(19%)
24,026	Final Budget	36,999	100%
18,923	Outturn	31,687	86%

(5,103)	(Under)/Overspend for the year	(5,312)	(14%)
3,798	Re-phasing Requests	5,256	14%
(1,305)	(Under) / Overspend	(56)	(0%)

- 3.15 Spending in the Housing Capital Investment Plan in 2018/19 was below that originally anticipated, with reduction in the budget, particularly for new build expenditure as part of the Medium Term Financial Strategy in September / October 2018.
- 3.16 At outturn, against the latest capital budget approved, underspending of £1,366,000 was evident in new build investment, with slippage of £1,466,000 identified. This related predominantly to delays in respect of re-development schemes at Colville Road, which now has approval and is proceeding and Campkin Road, which is subject to a report to this committee cycle. The schemes at Kingsway, Ventress Close and the 2015/16 garage sites have also suffered some delays.
- 3.17 Investment in the housing stock, in respect of decent homes and other capital activity was underspent by £3,396,000, with the need to defer £3,198,000 of investment into future years having been identified.
- 3.18 The capital expenditure relating to the acquisition of dwellings was greater than anticipated in 2018/19, with a delay in acquiring a dwelling from the County Council, the project to replace the Housing Management Information System will span multiple years and the allowance of £243,000 to meet inflation across all aspects of the programme was not allocated, as underspending across the programme meant that this was not necessary. It is requested that the funding for the new IT system and the inflation allowance is re-phased into 2019/20 to allow the authority to proceed and enter into contracts and affordable housing agreements that have been delayed.
- 3.19 Permission is sought to re-phase the use of £72,000 of Disabled Facilities Grant into 2019/20, and to recognise the deferral of assumed receipt of Devolution Grant (£135,000), where these will be used to finance re-phased capital expenditure identified.
- 3.20 Recognition also needs to be given to a reduced use of major repairs reserve as a funding source in 2018/19 (£262,000), with the need to recognise the deferred use of this in 2019/20 to finance re-phased capital expenditure.

HRA Write Offs

- 3.21 In line with the revised process for the writing off of HRA debt, considered by Housing Scrutiny Committee in March 2015, this report also provides an appendix detailing write off of HRA debt during the financial year 2018/19. **Appendix E** includes a summary of debt written off by both category of write off and also value banding.

4. Implications

(a) Financial Implications

The variance from the final revenue budget (see above), would result in a decreased use of Housing Revenue Account of £449,171. After carry forward of revenue resource to fund deferred revenue expenditure, the overall variance and resulting increase in the use of Housing Revenue Account Reserves is £323,329.

A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

(b) Staffing Implications

There are no direct staffing implications associated with this report.

(c) Equality and Poverty Implications

There are no new equality or poverty implications associated with this report.

(d) Environmental Implications

There are no new environmental implications arising from this report.

(e) Procurement Implications

There are no new procurement implications arising from this report.

(f) Consultation and Communication

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

(g) Community Safety

There are no community safety implications arising from this report.

6. Background Papers

Background papers used in the preparation of this report:

- T1 Variance Explanations – March 2019
- HRA Finance Report to 31 March 2019

7. Appendices

- Appendix A – HRA Revenue Outturn 2018/19
- Appendix B – HRA Major Revenue Variance Explanations
- Appendix C – HRA Revenue Carry Forward Requests
- Appendix D – Housing Capital Investment Plan Outturn 2018/19
- Appendix D (Notes) – Notes to the Housing Capital Investment Plan
- Appendix E – HRA Write Offs 2018/19

8. Inspection of papers

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

Julia Hovells, Principal Accountant

Telephone: 01223 - 457248 or email: julia.hovells@cambridge.gov.uk.

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Final Outturn

Service Grouping	Original Budget £'s	Final Budget £'s	Outturn £'s	Variation Increase/ (Decrease) £'s	Carry Forward Requests - see Appendix C £'s	Net Variance £'s
INCOME						
Dwelling Rents	(36,661,380)	(36,987,980)	(36,984,268)	3,712	0	3,712
Rental Income (Other)	(1,128,710)	(1,154,720)	(1,214,364)	(59,644)	0	(59,644)
Service Charges	(3,004,310)	(3,500,280)	(3,304,644)	195,636	0	195,636
Contributions towards Expenditure	(3,450)	(53,810)	(119,756)	(65,946)	0	(65,946)
Other Income (Incl. RTB Capitalisation)	(455,500)	(475,800)	(581,829)	(106,029)	0	(106,029)
Total Income	(41,253,350)	(42,172,590)	(42,204,861)	(32,271)	0	(32,271)
EXPENDITURE						
Supervision & Management (General)	3,399,340	3,824,510	3,173,831	(650,679)	385,300	(265,379)
Supervision & Management (Special)	2,584,280	2,864,720	2,890,801	26,081	0	26,081
Repairs & Maintenance	6,571,740	6,975,490	7,643,799	668,309	387,200	1,055,509
Depreciation	10,041,820	10,678,110	10,678,113	3	0	3
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	3,615,220	3,671,360	3,375,095	(296,265)	0	(296,265)
Total Expenditure	26,212,400	28,014,190	27,761,639	(252,551)	772,500	519,949
Net Cost of HRA Services	(15,040,950)	(14,158,400)	(14,443,222)	(284,822)	772,500	487,678
Interest Receivable (Interest on Balances)	(718,490)	(788,810)	(873,222)	(84,412)	0	(84,412)
(Surplus) / Deficit on the HRA for the Year	(15,759,440)	(14,947,210)	(15,316,444)	(369,234)	772,500	403,266
Appropriations / Other Movement in the HRA Balance						
Loan Interest	7,503,980	7,513,010	7,514,419	1,409	0	1,409
Housing Set-Aside	4,472,200	4,472,200	4,472,200	0	0	0
Impairment	0	0	0	0	0	0
Direct Revenue Financing of Capital	502,530	597,320	726,940	129,620	0	129,620
Transfer to / from Ear-Marked Reserves	0	292,880	81,914	(210,966)	0	(210,966)
(Surplus) / Deficit for year	(3,280,730)	(2,071,800)	(2,520,971)	(449,171)	772,500	323,329
(Surplus) / Deficit b/f	(9,018,373)	(9,018,373)	(9,018,373)			
Balance Carried Forward	(12,299,103)	(11,090,173)	(11,539,344)	0	0	0

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

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

and are detailed and approved:

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

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Supervision and Management (General)		
HRA Overheads	Budgets set aside to meet the HRA share of corporate change, including corporate restructures, shared services and office accommodation changes were not utilised fully in 2018/19. Some of this expenditure is expected in 2019/20 and a carry forward request has been incorporated accordingly.	(322,307)
City Homes	Significant staff underspend due to vacancies across the service and recruitment to vacancies at the bottom of pay scales. Under-occupation scheme not fully subscribed in 2018/19, but with renewed interest towards the end of the year, following a campaign by housing benefits and financial inclusion staff .	(112,695)
Housing Transformation	Investment in activity to transform the Housing Service progressed during 2018/19, with the 2018/19 budget invested in staff training and development, up-skilling and employment of staff to improve garage letting and to review policy and process. A carry forward is requested for the remaining funds, to allow further investment in 2019/20 to include completion of the staff training and up-skilling, business process review and change and additional staff input in some areas to tackle performance against desired target levels (particularly in the repairs service).	(162,221)
Departmental Overheads (HRA)	Underspending in employee costs due to staff vacancies was combined with no demand in 2018./19 for the use of the maternity provision in the HRA, with services meeting the costs of cover directly from service budgets. The provision was removed from the budget from April 2019 as part of the 2019/20 budget process.	(48,721)
Resident Involvement	Underspend in employee costs due to a vacancy in the team for part of the year and recruitment at lower points on the pay scale than previously. Underspending in residents grants and IT grants was experienced, prompting a review of this area, with plans in place to reallocate resource and increase investment in resident involvement activity during 2019/20.	(20,193)
Other		15,458
Total		(650,679)
Supervision and Management (Special)		
Temporary Accommodation	Underspending in utilities and other premises related costs, based upon the number of properties utilised for temporary housing during 2018/19.	(20,763)

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Ditchburn Place	Underspending in utilities, other premises related costs and catering services during 2018/19, as a direct result of the number of vacant units held whilst the scheme is undergoing major refurbishment. The underspend is partially offset by a corresponding under-achievement in income, with service charges being lower than budgeted due to the vacant units.	(61,783)
Virido, Clay Farm	Service charges paid for shared ownership properties which are yet to be sold, with third party services delivered by Encore, and invoiced to the Council if not recoverable from shared ownership lessees.	25,173
Estate Caretaking	Overspending in a variety of estate based activity, including additional costs of grounds maintenance, bulky refuse removal and garden clearances.	20,064
R&R Fund Expenditure	Expenditure on items for communal areas of sheltered schemes, replacement of emergency alarms and furniture, fixtures and fittings in temporary housing units. This expenditure is not budgeted for in year, but is fully fund from an ear-marked reserve set-aside specifically for this purpose.	67,931
Other		(4,541)
Total		26,081
Repairs and Maintenance		
Response Repairs	Attendance at the monthly training course to upskill and provide a multi-trade work force, coupled with significant sickness absence has resulted in considerably more work being delivered through external contractors during 2018/19 in order to maintain the service provision to our tenants.	582,762
Planned Repairs	The external cyclical maintenance works (PTR) programme was not fully delivered due to the need to test flat blocks for concrete corrosion and associated repairs, which results in the need to re-phase parts of the programme into 2019/20. Also two groups of properties weren't completed due to surveys being completed late. To avoid the same problems in 2019/20, we have employed a temporary PTR surveyor. The smoke detector programme was increased during the year in order to catch up with the back-log of replacements. A new programme is being developed to install heat detectors throughout the stock. This commenced during 2018/19 and will be accelerated in future years.	(501,032)
Client Repairs	Insurance overspend of £106,153 was predominantly due to a major fire at Villa Court, along with other more minor works. The overspend also includes the cost of works carried out on behalf of an external customer (£89,742), with these costs offset by the income which was received for carrying out the work. The remaining overspend is due to higher than anticipated number of larger works, which are not typically responsive day-to-day repairs but are more urgent and therefore cannot be added to the planned maintenance programme.	222,918

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Citywide Schemes	Additional lighting columns have been added to the schedule and an increased number of replacement fittings have been ordered during the year, resulting in an overspend against the budget allocation. An increased number of communal areas requiring hard wire testing had orders placed in order to address a backlog of properties. This also resulted in an overspend against the budget allocation.	147,612
Technical Services	Savings in employee costs due to vacant posts which were being filled via temporary agency staff, with these staffing arrangements being more costly. Where these vacancies were recruited to there was a recruitment cost which was not budgeted for. The vacant positions also contributed to delays in delivering the capital programme which has affected income to this cost centre. The overspend on external consultants was due to the expertise required to write a detailed specification for the rectification of structural defects on balconies and walkways to blocks of flats across the city.	142,627
Voids	The overspend is due to a significant rise in the number of empty properties requiring major works in order to attain a lettable standard. In addition the extent of work required has increased resulting in a substantial rise in the average cost of these major repairs.	89,124
Other		(15,702)
Total		668,309

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Other HRA Expenditure		
Contribution to the Bad Debt Provision	The contribution to the bad debt provision was significantly lower than budgeted in 2018/19, with the anticipated impact on rent arrears as a result of the introduction of Universal Credit being broadly mitigated thus far. The rollout has been slowly phased, and income management staff are working proactively with the tenants affected.	(385,361)
Council Tax on Voids	The cost of Council Tax in void properties was higher than anticipated, predominantly due to the need to pay Council Tax for the properties at Ditchburn Place and Tuscan Court whilst refurbishment works were in progress. This was exacerbated by holding shared ownership dwellings in advance of finding suitable purchasers, the impact of which will initially continue into 2019/20.	75,845
Other		13,254
Total		(296,262)
HRA Income and Other		
Rental Income (Other)	Rent for HRA commercial property was over-achieved in 2018/19 (£21,293) due to some of the units at Akeman Street continuing to be occupied, where it was assumed that vacant possession would have been realised by now as a result of the decision to re-develop the site. Income for garage rentals was also marginally higher than budgeted (£38,351) due to a combination of the charging structure in place and the levels of occupancy.	(59,644)
Service Charges	Service charge income was under-achieved due to a combination of holding vacant units at Ditchburn Place whilst major refurbishment works are carried out, the need to pay third party service charges for the unsold shared ownership units at Virido and lower charges for some new build schemes following an initial review of the cost of services being provided on each site.	195,636
Contributions towards Expenditure	Contributions towards expenditure were over-achieved in 2018/19 due to the recovery of rechargeable repair costs, which includes income received from external customers.	(65,946)
Other Income	Other income is over-achieved due predominantly to the recharge to capital for the administrative costs of the right to buy process and the costs recharged to the General Fund for shared amenities both being greater than budgeted.	(106,029)
Other		3,712
Total		(32,271)

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<i>HRA Interest, Premiums and Appropriations</i>		
Direct Revenue Funding of Capital Expenditure (DRF)	The use of DRF in 2018/19 included funding of £129,620 in respect of payment of licenses and other project costs for the new Housing Management Information System. This was fully funded from the Repairs and Renewals (R&R) fund set-aside for this purpose and is displayed as part of the additional transfer from an ear-marked reserve below.	129,620
Transfer to or from Ear-Marked Reserves	A transfer from R&R fund reserves for the initial cost of the replacement of the Housing Management Information System (£129,620) was combined with also drawing from the reserve to fund expenditure at both 171 Arbury Road to facilitate the move of staff back from Cambourne and investment in communal areas of sheltered schemes, emergency alarms and temporary housing.	(210,966)
Interest Received	The interest due to the HRA for 2018/19 was greater than anticipated due to the level of average revenue and capital balances which were held in the HRA during the year. Underspending in both revenue and capital budgets results in a greater level of reserves at year end than anticipated.	(84,412)
Other		1,409
Total		(164,349)
Total for Housing Revenue Account		(449,171)

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Housing Revenue Account Budgets from 2018/19 into 2019/20 and future years

Item		Request £
	Director - S Hemingway	
	Supervision and Management General	
1	The HRA holds a number of central budgets for contribution to corporate projects, including service transformation, service reviews and the office accommodation review. Some activity has been delayed, and there is still an expectation that the HRA will need to contribute to cost in future years, with a carry forward of £200,800 requested.	200,800
2	Housing Transformation funding is spent under delegation to the Strategic Director, and funds from previous years are requested as a carry forward to continue and complete ongoing transformation activity. Staff training is ongoing, as is investment in stock condition and compliance work, which will require continued investment during 2019/20.	162,200
3	The City Homes under-occupation scheme funding was not fully spent during 2018/19, but a campaign carried out by HB and the Financial Inclusion Team has resulted in an increased demand from the latter part of 2018/19. There are a number of people now awaiting funds through this scheme, and as the budget for 2019/20 was reduced as part of the 2019/20 budget process, a carry forward is deemed appropriate to meet these costs.	22,300
	Supervision and Management Special	
	No carry forward requests from 2018/19 into 2019/20.	
	Repairs and Maintenance	
4	A carry forward of £321,030 is to cover PTR works not completed by Fosters during 2018/19. This was due to a combination of late survey information (it took a while to sort out the programme and then delays in pricing the work by Fosters. The team have a temp surveyor helping with surveys this year and it is estimated that the programme will be fully surveyed by the end June 2019. In addition, staff are confident that the new staffing structure at Fosters will improve the delivery of the programme overall and they should have the capacity to price and deliver both the slippage and the new year's programme in full.	321,030
5	£66,170 is for heat detector works where the programme was not fully delivered as contractual requirements were not in place when the bid for funding was submitted. The contractor to deliver the works has now been confirmed and a programme is being developed to install these devices alongside the smoke detector programme.	66,170
	Appropriations	
	No carry forward requests from 2018/19 into 2019/20.	
	Total Carry Forward Requests for Housing Revenue Account / Housing Scrutiny Committee	772,500

2018/19 Housing Capital Investment Plan - HRA & General Fund Housing

[illegible]

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	Overspending of £27,000 in respect of Disabled Facilities Grants was a combination of an agreement with MHCLG to receive additional grant in the latter part of the year, but to pass it across to Huntingdonshire District Council as we did not have sufficient demand in Cambridge. £86,000 of overspend is therefore related to this, leaving an underspend in our own DFG grant investment of £59,000, which, when grossed up for the income received from clients, will be require £72,000 to be re-phased into 2019/20 to ensure that we can comply with the grant conditions under which we received it. The overspend in DFG's has been more than offset by underspending in Private Sector Grants and Loans of £91,000, where demand has significantly reduced in recent years.
2	A net underspend of £2,089,000 in decent homes expenditure during 2018/19 is a combination of under and overspending against the specific decent homes elements. Overspending in wall structure (£448,000), bathrooms (£90,000) and kitchens (£12,000), is more than offset by underspending in roofing works (£208,000), roof structure (£378,000), re-wiring (£171,000), energy and insulation works (£250,000), central heating (£945,000), sulphate (£102,000), other health and safety (£219,000), decent homes work to new builds (£226,000), HHSRS (£129,000) and external doors (£36,000). These variances are before accounting for leaseholder income, which is reported separately. Contractor overheads shows an apparent overspend of £70,000 against decent homes works, but is more than offset by an underspend in overheads against other HRA works of £226,000. Capitalised officer fees are underspent by £45,000. Re-phasing of underspending in 2018/19 into 2019/20 is requested in respect of energy improvements (£250,000), roofing works (£208,000), roof structure (£98,000), HHSRS (£129,000), other health and safety works (£219,000) and external doors (£36,000) Re-phasing of the budget for sulphate works is requested to be re-allocated to 2027/28 to the end of the existing sulphate programme, whilst re-phasing to the end of the 30 year investment programme is requested in respect of decent homes works to new build homes (£226,000), central heating and boilers (£750,000) and re-wiring (£171,000), when the budget is now expected to be required.
3	A net underspend of £1,307,000 was evident in 2018/19, combining underspending in a number of areas where work is still required and all of the underspent funds will need to be re-phased into 2019/20, including; garage improvement £95,000, lifts £13,000, communal area floor coverings £195,000, fire works £227,000 and hard-surfacing works £283,000. Underspending of £266,000 in respect of contractor overheads combines some slippage with the impact of underspending in other areas and £196,000 is requested to be re-phased. Underspending in Disabled Adaptations (£232,000), asbestos works (£4,000) and capitalised officer fees (£17,000) do not require re-phasing. Overspending in other communal area works of £24,000 was reported at year end.
4	The net underspend of £1,366,000 in the new build programme in 2018/19 relates to a delays in a number of areas of the programme, but particularly in respect of re-development schemes where decisions have been delayed and vacant possession needs to be obtained and those schemes being delivered in-house by Maintenance and Assets, where there have been planning delays and boundary disputes that need to be resolved. Spending ahead of profile has also occurred in respect of a few schemes and costs have also been incurred in respect of schemes that are complete and occupied, but where there are now some quality issues that are being addressed. Net re-phasing of £1,466,000 is required. Re-phasing of budget for 2015/16 Garage Sites (£63,000) Anstey Way (£213,000), Akeman Street (£20,000), Ventress Close (£2,000), Mill Road (£22,000), Kingsway (£182,000), Kendal Way (£34,000), Colville Road (£572,000) and unallocated budget ear-marked for the delayed Campkin Road scheme (£572,000), is partially offset by negative re-phasing where spend is ahead of profile for Queensmeadow (£50,000), Wulfstan Way (£13,000), Colville Garages (£16,000), Gunhild Way (£32,000), Cromwell Road (£73,000), Meadows and Buchan (£18,000), Tedder Way (£2,000) and Markham Close (£53,000). The profile of spending on all of these schemes will be reviewed again as part of the HRA Medium Term Financial Strategy.
5	Under delegated authority, the Strategic Director approved a budget for the acquisition of homes on the open market for use within the HRA to enable utilisation of retained right to buy receipts in a timely manner. In 2018/19 the budget carried forward from 2017/18 to complete the refurbishment works to Tuscan Court which was fully utilised, but final works came in at £28,000 more than anticipated. One property was acquired as a market acquisition from the County Council, and is now being let as affordable housing.

6	Spending in respect of the refurbishment of Ditchburn Place has progressed well during 2018/19, with the need to re-phase only £21,000 into 2019/20. The final phase of the re-development, to include the creation of two new units in the day centre, is expected to be complete by September 2019.
7	A net underspend of £629,000 in this area of the programme comprises no activity in respect of shared ownership re-purchase in 2018/19, giving rise to a £300,000 underspend, and underspending due to delays in the project to finalise the re-location of Stores to Cowley Road (£55,000) and the need to recognise the longer timeframe required to implement the new Housing Management Information System (£243,000), with both underspends requiring re-phasing into 2019/20. The balance of funding for the project to procure and Estate Services van (£1,000) will not now be required, nor will funding for works to HRA commercial premises (£29,000).
8	The allowance in the programme for inflation to costs was not required to be allocated across expenditure heads in 2018/19 as underspending across the decent homes, other investment in the housing stock and new build budgets meant that the additional funding was not required. It is proposed that this budget is re-phased into 2019/20 to ensure that sufficient budget is available in year to meet the costs of any deferred work, particularly in the new build area, where CIP costs under new affordable housing agreements are still to be finalised following procurement by Hill Investment Partnership on a scheme specific basis. A major review of the investment in or existing housing stock may also necessitate additional resource in 2019/20 to ensure that work can be delivered as planned.
9	27 properties were sold in total during 2018/19, far fewer than in the previous year. £334,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £735,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £3,526,000 of right to buy receipts have been retained by the local authority in 2018/19, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame. The authority is again required to invest a significant sum during 2019/20 to ensure that it meets its responsibilities under the retention agreement, and this may mean the acquisition of further dwellings on the open market, if new build schemes do not progress as anticipated, to avoid passing the receipts to central government. With the number of schemes on site, or due to go on site, it is anticipated that market acquisitions can be avoided in 2019/20.
10	Capital receipts totalling £521,000 in respect of the sale of land and property on the open market were accounted for in 2018/19. The receipts have been, or will be used to fund future investment in affordable housing.
11	The major repairs reserve was used to finance capital expenditure in the housing stock in 2018/19, including investment in decent homes work, other investment in the housing stock and investment in new homes, particularly where an element of re-provision is required. Where less of this funding was utilised in 2018/19 than anticipated, it will instead be utilised in 2019/20.
12	Income was recovered from leaseholders in 2018/19 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£57,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£27,000).
13	The use of revenue funding for capital purposes was more than anticipated, due entirely to the planned use the repairs and renewals (R&R) ear-marked reserve for IT to fund the costs of the Housing Management Information System Project. The use of this reserve is displayed as a revenue funding towards capital expenditure, but with the reserve held specifically for this purpose.
14	Receipts from the sale and re-sale of shared ownership dwellings in 2018/19 were lower than estimated by £456,000, with 10 sales at Virido out of 26 units available for sale and no re-circulation of existing shared ownership at all. The Disabled Facilities Grant was higher than expected due to the award of £86,000 of additional grant which was passed on to Huntingdonshire District Council. Grant of £312,000 was received from Homes England in respect of Ditchburn Place and private sector loan repayments of £15,000 were realised. The Devolution Grant claimed in 2018/19 was marginally less than anticipated, and the additional £135,000 will instead be claimed in 2019/20. The use of £72,000 of the DFG grant will also need to be re-phased into 2019/20 to ensure that grant can be invested appropriately (see note 1).

HRA Debts Written Off in 2018/19Write Off Cases by Category

Write Off Category	No. of Cases	Value Written Off
Bankruptcy / Insolvency	0	0.00
Debt relief order	9	12,127.44
Debtor deceased	85	54,723.70
Debtor is residing outside the UK	4	7,553.43
Debtor untraceable	10	21,562.48
Imprisonment	3	2,707.75
Other special circumstances	13	9,270.04
Statute barred	38	45,331.63
Uneconomical to recover	9	667.76
Recovery procedures exhausted	19	24,610.22
Unable to substantiate debt	0	0.00
Court has refused to make an order	0	0.00
Debt re-instated	9	(14,307.45)
Total Written Off (Net)	199	164,247.00

Write Off Cases by Value Banding

Write Off Value Band	No. of Cases	Value Written Off
Less than £100	14	782.39
£100.00 to £199.99	15	2,130.69
£200.00 to £299.99	18	4,436.81
£300.00 to £399.99	14	5,152.32
£400.00 to £499.99	19	8,449.64
£500.00 to £749.99	29	17,532.20
£750.00 to £999.99	21	17,960.19
£1,000.00 to £1,499.99	28	34,015.11
£1,500.00 to £1,999.99	9	15,413.04
£2,000.00 to £2,999.99	13	30,909.67
£3,000.00 to £3,999.99	5	17,703.20
£4,000.00 to £4,999.99	3	12,849.30
Greater than £5,000.00	2	11,219.89
Debt re-instated	9	(14,307.45)
Total Written Off (Net)	199	164,247.00

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HOUSING SCRUTINY COMMITTEE

18 June 2019
5.30 - 7.40 pm

Present: Councillors Bird (Vice-Chair), Cantrill, Hadley, Porrer, Sheil, Thittala, McGerty and O'Reilly

Executive Councillor for Housing: Councillor Johnson

Tenant/Leaseholder Representatives: Lulu Agate, Diane Best, Kay Harris, Christabella Amiteye and Jean-Louis Ayivor

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR HOUSING)</p>
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New Build Housing - Campkin Road

The Committee received a report from the Senior Development Manager, Housing Development Agency.

The report referred to the devolution deal with Central Government to deliver 500 new Council homes over 5 years.

Campkin Road Phase 2 (67 – 97a Campkin Road) was added to the rolling program at the 27th September 2018 Housing Scrutiny Committee. The site is occupied by 32 households: 25 tenants and 7 leaseholders. The proposed indicative scheme would provide 75 new Council rented dwellings, a net gain of 50 affordable homes.

The report sought approval for a capital budget for the scheme based on the indicative capacity study which had been undertaken for the site and the outlined appraisals referenced in the Officer's report and for the delivery route to be adopted.

This would require additional funding of £1,953,921 to be approved by Council over and above the current allocation in the Budget Setting Report. This will not be covered by Devolution funding although the scheme is a key element of completing the programme.

This had arisen because this is the last scheme to be submitted to the HSC for approval and costs on the schemes overall have exceeded the high level cost estimate of £200,000 per dwelling which was the basis of the agreed programme.

The Housing Scrutiny Committee considered and approved the recommendations by 5 votes to 0.

Accordingly, Council is recommended to:

- i. Approve the inclusion of an indicative capital budget for the scheme of £15,964,921 in the Housing Capital Investment Plan, to cover all of the site assembly, construction costs, professional fees and associated other fees to deliver a scheme that meets an identified housing need in Cambridge City.

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by: Jim Pollard, Senior Development Manager Housing
Development Agency

Tel: 01223 – 457924 Email: jim.pollard@cambridge.gov.uk

Wards affected:

Kings Hedges

Key Decision

1. Executive Summary

- 1.1 The City Council has agreed a devolution deal with government to deliver 500 new Council homes over 5 years. These will be delivered as rented housing, let in accordance with the Council rent policy (where rent and service charges together do not exceed Local Housing Allowance levels). Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies.
- 1.2 Campkin Road Phase 2 (67 – 97a Campkin Road) was added to the rolling program at the 27th September 2018 Housing Scrutiny Committee. The site is occupied by 32 households: 25 tenants and 7 leaseholders. The proposed indicative scheme (see Appendix 2) will provide 75 new Council rented dwellings – a net gain of 50 affordable homes.
- 1.3 This proposal will take the overall number of units approved for development by the Council, subject to planning, to 537 which will

complete the Devolution programme and allow some margin for slippage against the programme should unit numbers not match the current indicative schemes or small schemes fail to deliver.

- 1.4 The report seeks approval for a capital budget for the scheme based on the indicative capacity study which has been undertaken for the site and the outline appraisals referenced in this report and for the delivery route to be adopted. This will require additional funding of £1,953,921 to be approved by Council over and above the current allocation in the Budget Setting Report. This will not be covered by Devolution funding although the scheme is a key element of completing the programme. This has arisen because this is the last scheme to be submitted to the HSC for approval and costs on the schemes overall have exceeded the high level cost estimate of £200,000 per dwelling which was the basis of the agreed programme.
- 1.5 The proposal includes the provision of a community room which is the size of a 2 bedroom flat and could be re-purposed as a flat if required. This will replace the community house at 37 Lawrence Way which will be let as Council housing again. Costs include an estimate for the refurbishment of 37 Lawrence Way for letting and this unit is included in the total of 75 Council rented dwellings to be provided by the scheme.
- 1.6 The scheme is indicative and subject to further review and pre-application planning consultation

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the scheme in principle, recommending to Council, the inclusion of an indicative capital budget for the scheme of £15,964,921 in the Housing Capital Investment Plan, to cover all of the site assembly, construction costs, professional fees and associated other fees to deliver a scheme that meets an identified housing need in Cambridge City.

- 2.2 Approve that, subject to Council approval of the budget, delegated authority be given to the Exec Cllr for Housing in conjunction with the Strategic Director to enable the site to be developed through Cambridge Investment Partnership (CIP) subject to a value for money assessment to be carried out on behalf of the Council.
- 2.3 Authorise, subject to Council approval of the budget, the Strategic Director in consultation with the Executive Councillor for housing to approve variations to the scheme including the number of units and mix of property types and sizes outlined in this report.
- 2.4 Approve the use of the updated Council Home Loss Policy attached as Appendix 3
- 2.5 Delegate authority, subject to Council approval of the budget, to the Strategic Director to commence Compulsory Purchase Order (CPO) proceedings on Leasehold properties to be demolished to enable the development should these be required.
- 2.6 Delegate authority to the Strategic Director to serve initial Demolition Notices under the Housing Act 1985.

3. Background

- 3.1. There are a number of the Council's key Corporate Objectives that this development opportunity addresses:

Tackling the City's housing crisis.

- 3.1.1 Delivering the 500 new Council rented homes which are part of the Cambridgeshire and Peterborough Combined Authority devolution deal.
- 3.1.2 Delivering sustainable prosperity for Cambridge and fair shares for all.
- 3.1.3 Protecting essential services and transforming council delivery.
- 3.1.4 Tackling climate change and making Cambridge cleaner and greener.

3.2 The site at 67 – 97a Campkin Road is identified in the Development Rolling Programme.

3.2.1 The potential to redevelop this site was highlighted in a report taken to the 27th September 2018 Housing Scrutiny Committee. The rationale for redevelopment of the block is based on the information on the existing condition of the block and the opportunity to deliver a significant number of new homes on this land.

3.2.2 Residents were informed of the Councils intentions prior to the addition of the scheme onto the Councils Rolling programme, a decision that was made at the September 2018 Housing Scrutiny Committee. Residents have been written to advising them that this report is in preparation and will be advised that the report is to be presented to the Committee in June 2019. The residents have also been visited by Council officers. The MTFS approved in September 2018 included additional funding to support an officer dedicated to supporting residents through the decanting process. The Council has clear policies and procedures in relation to decanting and what it can offer to those residents directly affected by the redevelopment.

3.3 Local Housing Need

There is a recognised need for more affordable housing across the city. The table below demonstrates the number of households on the Housing Needs Register as of end of March 2019. There are currently 2644 households in need of a 1 or 2 bedroom property across the city; progressing this scheme will help in meeting the needs of those on the waiting list.

Cambridge City	1bed	2 bed	3 bed	4+ bed
	1925	719	232	56

Located in an area of existing housing stock, the development would bring some smaller units to the area to support sustainable communities.

4. Site Details

4.1 The site is at 67 – 97a Campkin Road in Kings Hedges Ward. A location plan of the site is at Appendix 1.



- The site is currently occupied by 32 existing homes of which 25 council tenanted and 7 leasehold.
- The site is surrounded by existing dwellings and green open space. The proposed development looks to retain the existing trees, the majority of the green space to the front of the scheme and improve the overall visual appearance. Limiting overlooking has been taken into account on the attached indicative layout.

4.2 The site is approx. 0.95 hectares in size (9500m²)

4.3 The following surveys and investigations have been undertaken or are programmed too, as part of the feasibility work for investigating the viability of the site for development:

- Air Quality
- Arboriculture Impact Assessment
- Level 1 Contamination
- Flood Risk / Drainage Assessment
- Noise
- Preliminary Ecology Survey
- Party Wall
- Rights to light
- Topographical Survey

Utility Mapping

- 4.4 There will be a need for further invasive ground and soil investigations as well as more detailed examination of the existing building for potential asbestos, following vacant possession and prior to any demolition. Following early identification of the issues there are strategies in place to manage and mitigate the impact on timescales and costs.
- 4.5 There services running along the front and North Western corner of the site, which diversions are not viable so a scheme layout has to take these into account.
- 4.6 Planning Feedback: Early advice was sought from planning consultants and pre-application meetings have been held with planning officers. Issues arising are noted below:

- Building heights, scale and density particularly building height on boundaries and overlooking of neighbouring properties
- Provision of open space within the development
- Resident car parking numbers and layout
- Incorporation of serviceable bin stores and bike storage
- Sustainable drainage requirements may conflict with the standards required for adoption of roads by the Highways Authority. However, the Highways Authority is reluctant to adopt minor estate roads. This has a maintenance cost implication for the Council.

4.7 Site Options

As part of the feasibility study and options analysis work undertaken in assessing the viability of delivering affordable housing on the site, a number of options were considered which are set out below.

4.7.1 Retain as existing

- The layout of the existing flat blocks is poor and there is a considerable amount of underutilised space in the current layout.

- Flats are currently all one bedroomed with an internal floor area of approx. 39sqm in size. Nationally described space standards dictate a minimum of 50sqm for one bedroom flats.
- The current two blocks were built circa 1960's and are of traditional brick construction. The age of these units will lead to the need for further investment and increased on-going maintenance.
- The car park to the rear of the flats is also in very poor condition and attracts fly tipping and other associated anti-social behaviour due partly to the lack of overlooking of this space. This will also form part of the redevelopment

4.7.2 Develop for HRA housing only

- Addresses the housing need identified in an area of existing housing stock, delivering units which will contribute towards the devolution funded new build programme.
- Increases the Council's housing stock and rental receipts provides a financial platform to support future development opportunities for the City Council's HRA stock.
- Devolution money is available to develop at 100% Council rent

4.7.3 Develop as a mixed tenure Scheme

- Addresses the housing need identified in an area of existing housing stock, delivering a net gain of units which will contribute towards the devolution funded new build programme. Incorporated some different forms of affordable housing e.g. Shared Ownership, Intermediate Rent, outright sale to meet a broader housing need

4.7.4 From the options considered in this section, the option to develop for HRA housing only is recommended as the approach that responds directly to the corporate objective of tackling the city's housing crisis and delivering our planning objectives.

4.8 Design and Sustainability

An affordable housing scheme would be based on the Council's adopted design standards and the Cambridge Sustainability Housing

Design Guide. CIP has adopted these design requirements as its minimum standard.

4.9 Programme

4.9.1 The indicative programme for the development is as follows:

Submission of Planning Application: December 2019

Planning Permission Granted: March 2020

Completion of decant: June 2020

Start on Site: August 2020

Completion: June 2022

4.10 Demolition notices

4.10.1 Service of Initial Demolition Notices under the Housing Act 1985 suspends the Right to Buy. Should a tenant make an application to buy their home (a leasehold interest in a flat) they would normally be sold at a discount. To allow the regeneration scheme to progress the council would then have to buy back these properties at market value plus 10% of the owner's interest and disturbance allowance and none of the discount granted would be repayable. Should a large number of additional homes be sold under the Right to Buy this would add significantly to the costs of the scheme and compromise its financial viability.

4.10.2 By serving the Initial Demolition Notice the council sets out its intention to proceed with the regeneration and this removes the obligation to complete Right to Buy sales for a maximum period of 7 years while the notice is in place. At the end of the notice period if the council has not completed the demolition of the property a tenant could ask for compensation arising from not being able to exercise their right to buy.

4.11 Compulsory Purchase Order

4.11.1 There are seven leaseholder properties on the scheme. The Council will need to buy back these properties. This will be done

through negotiations however if these are unsuccessful the only route for the Council would be to instigate a CPO.

5. Financial Implications

5.1 Budget / Funding

5.1.1 The total indicative cost is currently estimated at £15,964,921 (In addition to the demolition and construction costs this includes pre and post statutory planning fees, professional consultant fees, survey and site investigation costs and other associated costs, HDA fees and Land Assembly costs (leaseholder buy-back, home loss and disturbance payments are currently estimated at £1,846,300).

5.1.2 The scheme is in excess of the provision in the Budget Setting Report which ear-marked a budget of £14,011,000 for 73 dwellings in the pipeline, compared to £15,964,921 for 75 dwellings. This is an increase of 13.95% compared to an increase in units of 2.74%. The previous estimate has had to be revised as a result of further analysis of the site and the scheme that can be brought forward. The overall average unit cost of £212,866 is broadly at a mid-point in the range of costs within the devo 500 programme including the cost of decant and leaseholder buy-back.

5.1.3 It is proposed that the investment will be met from a combination of Right to Buy receipts and HRA resources for the additional homes on the site and HRA resources for all of the site assembly costs and the re-provision costs of the existing 25 rented residential units on the site. Although this scheme makes an essential contribution to the delivery of the 500 homes identified in the Devolution Agreement, it is anticipated that the £70,000,000 funding will be exhausted prior to funding this scheme.

5.14 This will result in the following mix of funding:

Right to Buy receipts:	£2,823,724
Devolution Grant:	0
HRA resources:	£13,141,197

Total: £15,964,921

The indicative capital budget is **£15,964,921**

- 5.1.5 The payback is 46 years taking into account the need to demolish habitable units. If the need to demolish the old units was discounted (a total discount would have to be on the basis that the existing properties are uninhabitable) the payback reduces to 42 years. The reality is between the two as the existing properties are not immediately uninhabitable but would have a higher maintenance cost and a shorter life than the new units. The appraisal assumes that RTB receipts are a free resource as they have to go to MHCLG if the Council fails to use spend them. Funding costs are based on the loss of potential interest on Council resources at 1%

6. Implications

(a) Staffing Implications

The development scheme will be managed by the Housing Development Agency which will also provide the Council's staffing contribution to the development of the scheme by CIP which is a 50-50 partnership.

There is a requirement to resource resident consultation, tenant decant, and leaseholder buy-back. Allowance has been made within the HRA MTFs for an additional member of staff to be employed to support this process, with the new post to work with both the H.D.A and City Homes to ensure that vacant possession is achieved in a timely and consistent manner, with appropriate consultation and communication with affected residents at every stage in the process.

(b) Equality and Poverty Implications

A series of EQIAs have been undertaken for the Council House Programme, the Housing Development Service and for individual schemes. The EQIAs mainly highlight the benefits of the Council retaining direct control of new housing development itself to ensure a focus on the delivery of housing that meets a diverse range of housing needs. Part of the assessment underlines the need for Affordable Housing to help those most likely to suffer poverty as well as ways in

which new Affordable Housing will directly save money for tenants, such as energy saving measures and reducing the impact of fuel poverty. An Equalities Impact assessment has been carried out for this scheme including the impact of these proposals on the existing residents.

(c) Environmental Implications

The Council housing will be built in accordance with the Cambridge Sustainable Housing Design Guide. Included in the Guide is a standard for energy efficiency that is higher than current building regulations: approximately Code Level 4/5 on the former Code for Sustainable Homes. Building Regulations Part L in themselves set a much higher standard than is achieved by the existing buildings.

(d) Procurement Implications

HRA Housing - Development and Delivery Options

The City Council has a number delivery options which it is currently exploring and utilising for the delivery of affordable housing on sites in the City:

- In-house construction by Estates and Facilities
- Procurement of a contractor through a traditional tender process
- Offer the site to CIP for development

In-house construction by Estates and Facilities

Estates and Facilities have recently completed construction of 2 No. 2 bed houses on a site at Uphall Road. Further sites of a similar scale have been identified that can be brought forward by estates and Facilities but the scale of the Campkin Phase 2 development combined with the timescale for delivery preclude this option.

Procurement of a contractor through a traditional tender process

A Design and Build contract could be let following a tender process which could be an open tender or a tender conducted through a public sector procurement compliant framework. The tender would be carried

out following the grant of planning permission. This route is a viable route but is not recommended because of the benefits offered by the CIP route

Offer the site to CIP for development

In July 2016 Strategy and Resources approved the setting up of the Cambridge Investment Partnership (CIP) which was subsequently established in January 2017. The use of the CIP in managing property development enhances the Council's capability for delivery of affordable housing and makes the best use of its community assets to provide for the future of Cambridge and its residents. The principles governing the process of bringing forward developments through CIP were agreed at the Strategy & Resources Scrutiny Committee held on 9th October 2017.

The Committee agreed to delegate a decision to the Exec Cllr for Finance and Resources, Exec Cllr for Housing or Leader (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 will be reviewed at a Scrutiny Committee prior to the Executive Councillor decision to transfer the land to CIP.

The Strategic Development Brief will be based on the proposals set out in this report although as noted at 1.6 above the scheme is indicative and subject to further review and pre-application planning consultation.

The proposed Model for developments through CIP for individual sites may take the form of a license and the use of a framework rather than a Land Transfer / Disposal. This will remain subject to approval of the Exec Cllr for Finance and Resources, Exec Cllr for Housing or Leader (as appropriate) in conjunction with the relevant Strategic Director. It will also be subject to an independent value for money assessment.

(e) Community Safety Implications

There are no recognised implications on Community Safety with the proposed developments. The scheme will be built in accordance to

Secure by Design guidelines as set out within the City Councils Design Brief

7. Consultation and communication considerations

- 7.1 Residents were contacted informing them of the Councils intention to investigate the potential redevelopment prior to its recent addition to the Rolling Program 27th September 2018. The most recent consultation took place in February 2019. All tenants and leaseholders were written to offering to meet with them on an individual basis to explain what the Council is planning to do and what their rights and entitlements are as a Tenant or Leaseholder. These meetings were offered at convenient or flexible times for the occupiers and not tied to conventional working hours.
- 7.2 Meetings were held with all the residents who requested them. All residents have been written to advising them that the report is coming forward. Subject to the approval of this report meetings will be held individually with all the residents.
- 7.3 Consultation and communication with existing tenants and leaseholders will continue in accordance with the updated City Council's Home Loss Policy (Appendix 3) – Commitment to Resident Involvement approved at the March 2017 Housing Scrutiny Committee. This policy sets out the Council's commitment to those affected by regeneration and the compensation and support available. The policy refers to tenants and leaseholders being able to return to the new development. This option will be available to tenants but there are no units for sale in the scheme that would be available to leaseholders.
- 7.4 The HDA continues to liaise closely with colleagues in City Homes, to ensure timely and accurate information is made available to all affected by the proposals.
- 7.5 There has been consultation with Ward Councillors about the proposals. The Ward Councillors were supportive of the principle of re-development to provide additional council housing.
- 7.6 There will be a public consultation event in the area prior to submission of a planning application. There will also be formal consultation through the planning process once the application has been submitted.

8. Risks

8.1 Below is a table setting out key risks associated with the project:

Description of risk	Likelihood	Impact	Mitigation
Scheme not starting on site by March 2022 and therefore not contributing to 500 homes target.	Low- Current programme has identified 522 this scheme is anticipated to start in 2020	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract grant in the future. If this scheme was not part of this programme funding would need to be identified from other sources	Programme level monitoring of risk. The HDA is developing the capacity and processes to deliver the projects to meet the targets. It is working with CIP on this and a number of other projects.
Land assembly issues: decant and leaseholder buy-back	Med - There is a limited risk on costs against the assessment that has been made; there is a significant risk of delay.	High – If a CPO is required this cannot be put in place until planning is granted and would take 1 year from receipt of planning.	Recruitment of a dedicated resource to manage the decant process and to liaise between all relative parties. The Council has a policy in place in relation to home loss. There is a statutory process through a CPO should negotiations not be successful
Cost: Indicative costs have been set out in the report; this is an occupied site and further work including intrusive site investigations remains to be carried out and is limited by existing occupation of the site. Market conditions in the construction industry can also impact on estimated costs.	Med- further investigations could uncover unknown issues	Med-. Delays to start on site and contract negotiations leading to the potential increase in costs	Ensure all site surveys are as accurate as they can be taking into account resident occupations. Implement a survey tracker. Efficient decanting will enable earlier site investigation and this will facilitate greater certainty on costs. The HDA will engage an Employers Agent to scrutinise costs and to manage quality assurance processes which have an impact on life-cycle costs.
Planning: The planning application will be subject to the observations of consultees, the assessment of planning officers, and ultimately the decision of the Planning Committee.	Med- current scheme has been through a number of Pre Application discussions with Planning. There is a need to balance planning policy and views of the local people and ward members.	Med- Potential change in unit mix and reduction in numbers	The indicative scheme will continue to be developed in response to the comments received from the pre-application discussions with the LPA which have been carried out. Further discussions will be carried out.

Resources: This report identified the need for additional staff resources.	Low- Allocation of resource is within CCC control; risk attached to timely recruitment of appropriate staff	High- Impact would be a delay in decanting and delays in start on site	Subject to approval of the budget, HDA and City Homes officers will work together to ensure the timely recruitment of appropriate staff to implement the decant programme.
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9. Background papers

None

10. Appendices

Appendix 1 – Site Location plan and red line of proposed transfer

Appendix 2 – The proposed scheme layout

Appendix 3 - Home Loss Policy 02/2019

11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jim Pollard, Housing Development Agency, tel: 01223 457924, email: jim.pollard@cambridge.gov.uk

Appendix 1 – Site Location plan



Appendix 2 – Indicative layout further pre-application planning advice is being sought on this layout.



Appendix 3 CAMBRIDGE CITY COUNCIL HOME LOSS POLICY

COMMITMENT TO RESIDENT INVOLVEMENT

The Council is committed to ensuring that there is the least possible disturbance to residents who are required to move from their homes.

For tenants:

- Support will be available for those who need that support to organise the move.
- Tenants required to move will be consulted on the new scheme as it evolves and will be given priority to return to new housing that meets their needs provided there is sufficient new accommodation of the type required available. The Council's Lettings Policy will be used to determine a match between the household and property type and size
- If a tenant does not wish to move back every effort will be made to re-house them in the area of their choice.
- Statutory 'Home Loss Payments' will be made to tenants as will reasonable 'Disturbance Payments' to the expenses involve in moving.

For leaseholders:

- When a leaseholder's property is to be redeveloped, and if they are not able to afford to buy a suitable alternative home on the open market, the Council will offer advice and assistance to secure shared ownership, equity share or another form of intermediate housing option in the city. Where the property is to be refurbished the leaseholder will be able to return to the property.
- Home Loss Payment and Disturbance Payments are also payable to leaseholders however the legislation is different in respect of Home Loss Payment.

1.0 Introduction

- 1.1 This Policy covers situations where City Homes tenants or leaseholders are required to move from their homes due to
- A redevelopment scheme
 - A refurbishment scheme

The Council has a separate Policy in respect of the compulsory purchase of properties not in the Council's ownership.

2.0 The Council's Vision Statement and Strategic Objectives

- 2.1 This Policy fits with the Council's vision and annual statements' extracts of which are set out below.

The Council has a clear vision "to lead a united city, 'One Cambridge - Fair for All', in which economic dynamism and prosperity are combined with social justice and equality".

Housing is prominent feature for "a city which strives to ensure that all local households can secure a suitable, affordable local home, close to jobs and neighbourhood facilities".

Tackling the city's housing crisis and delivering our planning objectives including: working to build new homes with an emphasis on Council rent housing; making the most of council-owned land to provide new housing; continuing to provide council housing and investigating ways of building new council housing

3.0 Outcomes

- 3.1 The Council recognises that the enforced loss of their home is one of the most difficult situations that a tenant or leaseholder can be faced with. With a housing stock of nearly 8500 properties including leasehold accommodation, it is inevitable that from time-to-time schemes will be proposed to redevelop or refurbish older housing that no longer meets current day expectations or is not cost-effective to maintain in a good state of repair. The intention is to strike a balance between mitigating the impact on individuals required to move and securing the longer term benefits from the proposed redevelopment or refurbishment.
- 3.2 The Council aims to ensure that when engaging with tenants and leaseholders who are being required to move from their home, the Council's guiding principles for undertaking consultation of openness; accessibility and inclusiveness; and transparency and accountability will apply.
- 3.3 The Council is committed to ensuring that there is the least possible disturbance to residents who are required to move from their homes.

4.0 Payments to Tenants for Loss of Home

- 4.1 The Council will make two types of payments to tenants who lose their home
- Home Loss Payment
 - Disturbance Payment
- 4.2 Home Loss Payment to Tenants

This is a payment that the Council must pay by law under the Land Compensation Act 1973. To be eligible, the tenant must have occupied the premises as their main and principle home for at least one year. The payment is in recognition of the trauma and disruption of the loss of the

home. It is not a payment that is designed to cover the actual costs of moving.

The amount of Home Loss Payment is reviewed periodically. The current payment is £6,300 but is reviewed annually and can go down as well as up. The payment that you receive will be net of any monies owed to the Council, examples of this would be rent arrears and Council Tax, and this is not an exhaustive list.

4.3 Disturbance Payment to Tenants

Unlike Home Loss Payments, Disturbance Payments are not fixed in law but they are required to be equal to the reasonable expenses of the tenant who is moving. The Council will offer you two options.

Option 1: A lump sum payment of £1250 in lieu of services offered in Option 2. If this option is chosen the Council will not provide any of the services listed in option 2.

Option 2: The Council will pay for or arrange the following

- All removal costs to removal contractors or cost of a van if a tenant moves themselves
- Disconnection and re-connection of cooker
- Lifting and re-fitting curtains and carpets in the new home or the cost of new curtains and carpets if the existing curtains and carpets cannot be re-fitted and the property that you are moving to has no carpets fitted of an equivalent standard to those that you are leaving behind
- Cost of re-direction of mail for 3 months
- Costs associated with moving telephones and Broadband services
- Any costs associated with cancelling a service that a tenant has contracted to pay at their current address

4.4 Home Loss Payments and Disturbance Payments will only become payable once approval has been provided by the Council to proceed with a specific redevelopment or refurbishment scheme. It is at this point too that any Right to Buy application will be halted and any new application declined.

4.5 In a situation where it is possible for a tenant or leaseholder to return to a refurbished or redeveloped scheme and they choose to do so, Home Loss Payment **will not** be payable, but Disturbance Payments will.

4.6 This Policy does not apply to tenants who have a final possession order granted to end their tenancy.

5.0 Payments to Leaseholders for Loss of Home

5.1 Home Loss Payment and Disturbance Payments are also payable to leaseholders however the legislation is different in respect of Home Loss Payment.

5.2 Home Loss Payment to Leaseholders

The amount of payment for leaseholders in law is calculated as 10% of the market value of the owner's interest in the property subject to the maximum amount which is currently £63,000. Again, to be eligible the leaseholder must have occupied the premises for at least one year and be there main residence.

- 5.3 Disturbance Payments to Leaseholders in occupation and there main point of residence for Loss of Home
The Disturbance Payments will be the same as for tenants shown in paragraph 4.3 above.
- 5.4 The points covered in 4.4 and 4.5 above will also apply to leaseholders.
- 5.5 Home Loss Payments and Disturbance Payments are not available for leaseholders who do not occupy the property that is the subject of the redevelopment as their primary place of residence. This can also be referred to as an 'absent Leaseholder'.
- 5.6 The Policy does not apply to any sub-lessees.

6.0 Engagement with Tenants and Leaseholders

- 6.1 In engaging with tenants and leaseholders who are being required to move from their home, the Council's guiding principles for undertaking consultation of openness; accessibility and inclusiveness; and transparency and accountability will apply.
- 6.2 **Stage 1: Rolling Programme** - When a new site that contains existing housing is identified for appraisal for redevelopment the current residents will be advised as soon as possible in the process. It is always difficult to decide when and how best to inform existing residents at this stage. Generally the approach that will be taken is to invite residents to a meet with officers once an indicative scheme has been drawn up that has been assessed as feasible to develop. In this way, any anxieties amongst current residents are not raised unnecessarily before a proposal has been developed that residents have something 'concrete' to comment on. Residents will be invited to a first meeting by letter and the letter will include a named member of the Housing Development Team and Housing Officer with full contact details of those named officers. Letters will be delivered by hand so that there is an opportunity to immediately discuss the redevelopment proposal.
- 6.3 Our aim in involving current residents is not only to explain the reasons why the Council is looking to redevelop their current homes, but also to explore with them their individual circumstances; connections with the local community; and future housing aspirations; and thereby see whether the rehousing needs of residents can best be met elsewhere or by returning to the new scheme, if this is possible.
- 6.4 Local Ward Members will be contacted immediately prior to communication with residents to alert them that they may therefore be approached by local residents and to invite them to the meeting. The Resident Representatives will be contacted in the same way.
- 6.5 **Stage 2: Scheme Approval** - Once a scheme has been appraised for development and any current residents consulted, a report will be submitted to the Housing Scrutiny Committee and approval will be sought from the

Executive Councillor for Housing to an indicative scheme in terms of property number, type and mix that can be progressed for planning approval and a budget for the scheme.

- 6.6 If the site does not have any existing housing immediate neighbours will be written to advise that the site is being considered for new housing in advance of the Committee. The views of existing residents and immediate neighbours will form part of the committee report.
- 6.7 It should be noted that tenants and leaseholders will not be eligible for Home Loss and Disturbance Payments until a specific redevelopment scheme has been approved by Council. The same principle will apply to any proposed refurbishment scheme that will require a tenant or leaseholder to move. A named contact person for further information will be provided to tenants and leaseholders and any comments made will be considered as part of the final report that will be presented to the Council for specific approval to proceed with the scheme.

7.0 Alternative Housing for Tenants

- 7.1 The criteria set out in the Council's Letting Policy will be the basis upon which alternative accommodation is deemed suitable.
- 7.2 Tenants required to move will have to register on HomeLink and will be given a Band A priority to bid under Home-Link or will have the benefit of a direct let.
- 7.3 Every effort will be made to re-house a tenant in the area of their choice.
- 7.4 Tenants required to move will be given priority to return to suitable alternative accommodation on the redeveloped or refurbished scheme provided there is sufficient new accommodation of the type required available.
- 7.5 Should a tenant be interested in types of tenancy other than for social rent then advice and assistance will be offered to help the tenant secure such a move.

8.0 Alternative Housing for Leaseholders

- 8.1 When a leaseholder's property is to be redeveloped, and if they are not able to afford to buy a suitable alternative home on the open market, the Council will offer advice and assistance to secure shared ownership, equity share or another form of intermediate housing option in the city. Where the property is to be refurbished the leaseholder will be able to return to the property. Annex A provides more detail on the difference between shared ownership and equity share and the principles behind how a leaseholder may be able to move to an alternative Council property and occupy it on an equity share basis.

9.0 Support to Move

- 9.1 The Council recognises that individual tenants and leaseholders will require different degrees of support to move. In particular the Council will prioritise its assistance to
- Older people
 - Tenants with physical and/or learning impairment

- Tenants for whom English is not their first language

The support required will be assessed and negotiated on a case by case basis.

- 9.2 The type of support to be provided to those tenants and leaseholders who need it are as follows
- Assistance with registering on Home-Link
 - Assistance to view alternative accommodation
 - Assistance with forms relating to change of address
 - Assistance with rearranging care support if applicable
 - Where no friends or family are available arranging packing and removals
 - Clearance of unwanted items
 - Arranging lifting and refitting of carpets and curtains refit

10.0 What happens if tenants and leaseholders do not want to move?

- 10.1 The Council's aim will be to negotiate alternative accommodation with tenants and leaseholders who are required to move. If it is not possible to agree a move by negotiation the Council has at its disposal legal remedies to require a move. The remedies are different for tenants and leaseholders.
- 10.2 If agreement cannot be reached with a tenant, the Council is able to serve Notice and seek re-possession of the home through the court. However, to be successful the Council will need to be able to demonstrate that suitable alternative accommodation is available for the tenant to move to.
- 10.3 If agreement cannot be reached with a leaseholder the Council is able to pursue a compulsory purchase of the property in line with policy.

Annex A

Definitions

This Annex to the policy document defines and contrasts the difference between Shared Ownership and Equity Share.

Shared Ownership – This is where a leaseholder buys a percentage of equity in the property (a 'share') and pays rent on the share retained by the freeholder (usually a social landlord). Shares can start as low as 25%. Usually leaseholders can buy extra shares to 'staircase' to buy outright although some schemes limit the maximum share that can be purchased and the freeholder has the first option to buy the shares back from the leaseholder should they wish to sell.

Equity Share – This where a leaseholder buys a percentage of equity in the property but is not required to pay rent on the remainder. Here leaseholders often start with a 70% share, and there is limited or no 'staircasing'. Again the freeholder (usually a social landlord) has the first option to buy the share back from the leaseholder should they wish to sell.

Principles

Equity Share will be offered only as a re-housing option for leaseholders who are required to move under the Council's new build programme.

The principles that will apply to the offer of an Equity Share lease are as follows.

- a. Financially, the resident will be no better or no worse off after moving by taking up an Equity Share option. This is in line with the principle of 'equivalence' underpinning the legislation that governs compulsory purchase.
- b. Under Equity Share residents will be offered an alternative property of a similar size by bedroom (not bedspace) to the one that they currently occupy. For example, a single person could be offered a move from a one bedroom flat to a one bedroom two person flat.
- c. If a resident requests to move to a larger property than the one they currently occupy then consideration will be given to this but on a Shared Ownership basis not under Equity Share. Consideration will be on a case-by-case basis. Factors that will be taken into account will be, the reason for requesting a larger property; the financial impact on the Council; the income of the resident and their ability to afford the larger property (the prevailing guidance from the Homes England will be used in this respect – for example, current guidance is that no more than 45% of net household income should be spent on mortgage and rent repayments and that the rent element should be no more than 2.75% of net income).
- d. The resident will be required to reinvest the value of their current property plus 10% in the alternative property under an Equity Share move. This will mean that they have parity with tenants in respect of the financial package under the Council's Home Loss Policy. Residents can choose to invest more of their own capital in an alternative Equity Share property up to 100% of the equity at which point the lease would revert to the form of their current occupation (i.e. a long lease with the Council retaining the freehold).
- e. The Equity Share lease on the alternative property will be offered for the same duration as the outstanding length of lease on the current property and will be valued on this basis. For example, if the current lease has 50 years to run the Equity Share lease will be offered for a 50 year duration and will be valued as such.
- f. Alternative properties to be offered under Equity Share will only be made available on any of the schemes in the Council's new build programme or on properties that become available in the Council's Shared Ownership scheme.
- g. The freehold of the property leased under Equity Share remains with the Council. If a resident chooses to move before the end of the lease, the Council will have the first option to buy back the lease.

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Present:

Present: Councillors Davey (Chair), Bick, Dalzell, Davies and Green

Executive Councillor: Robertson (Executive Councillor for Finance and Resources)

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

Annual Treasury Management (Outturn) Report 2018/19

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

This report met the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) in respect of 2018/19. Both these publications have been revised by CIPFA and references to these documents are to the 2017 Editions.

During the 2018/19 the minimum requirements were that Council should receive:

- An annual strategy in advance of the year
- A mid-year treasury update report and;
- An annual review following the end of the year describing the activity compared to the strategy.

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

The Strategy and Resource Scrutiny Committee considered and approved the recommendations unanimously.

Accordingly, Council is recommended to:

Approve the report which included the Council's actual Prudential and Treasury Indicators for 2018/19.

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Item

**ANNUAL TREASURY MANAGEMENT (OUTTURN) REPORT
2018/19**



To:

The Executive Councillor for Finance & Resources:

Councillor Richard Robertson Strategy & Resources Scrutiny Committee
01/07/2019

Report by:

Caroline Ryba Head of Finance (The Council's Section 151 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 by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.
- 1.2 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) in respect of 2018/19. Both of these publications have been revised by CIPFA and references to these documents are specifically to the 2017 Editions.
- 1.3 During 2018/19 the minimum requirements were that Council should receive:-

- An annual strategy in advance of the year;
- A mid-year treasury update report; and;
- An annual review following the end of the year describing the activity compared to the strategy (this report)

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

2. The Executive Councillor is asked to:

2.1 Recommend this report to Council, which includes the Council's actual Prudential and Treasury Indicators for 2018/19.

3. Background

3.1 This report summarises:

- Capital expenditure and financing activity during the year;
- The impact of capital spending on the Council's 'need to borrow';
- The Council's compliance with prudential & treasury indicators;
- Treasury Management Position as at 31st March 2019 (Appendix A);
- The Council's Treasury Management advisors (Link Asset Services Ltd) view on UK Interest & Investment rates (Appendix B);
- The actual prudential and treasury indicators (Appendix C);
- Counterparty List (Appendix D); and;
- A Glossary of Terms and Abbreviations (Appendix E)

3.2 The Council's Capital Expenditure and Financing 2018/19

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.

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

	2017/18 £'000 Actual	2018/19 £'000 Current Budget *	2018/19 £'000 Actual
General Fund capital expenditure	29,337	43,748	29,112
HRA capital expenditure	18,154	36,151	30,902
Total capital expenditure	47,491	79,899	60,014
Resourced by:			
• Capital receipts	-7,651	-11,090	-25,895
• Other contributions	-21,501	-71,933	-42,508
Total available resources for financing capital expenditure	-29,152	-83,023	-68,403
Financed from/(to) cash balances	18,339	-3,124	-8,389

* Per Budget Setting Report (BSR) agreed by Council on 21st February 2019

3.3 The Council's overall borrowing need

During 2018/19, there was no requirement for external borrowing. Financing of capital expenditure from cash balances of £(-)8,389k shown in the above table, was met using earmarked reserves. This movement comprises (-) £75k Clay Farm Community Centre, £1,231k Commercial Property Investments, £2,200k Allia Investment Bond, (-) £8,000k Invest for Income Reserve, (-) £2,200k K1 capital receipt and (-) £1,545 NHBC allocation. The above overall credit of (-) £8,389 will reduce the Capital Financing Requirement (CFR).

3.4 Current Debt as at 31st March 2019

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

	Principal (£'000)
Authorised Borrowing Limit (A) – Agreed by Council on 20 th October 2011	250,000
HRA Debt Limit (B)	230,839
PWLB Borrowing (for HRA Self-Financing, C)	213,572
General Fund Headroom (A minus B)	19,161
HRA Headroom (B minus C)	17,267
2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 External Borrowing	NIL
Total Current Headroom (A minus C)	36,428

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

3.5 Treasury Position as at 31 March 2019

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

All funds are internally managed.

The tables below provide a comparison of deposit activity and outturn for 2018/19 against 2017/18.

<u>Actual Returns</u>	2017/2018		2018/2019	
	Average Deposits (£m)	Average Rate of Return	Average Deposits (£m)	Average Rate of Return
Fixed Short-Term (<365 days)	52.15	0.48%	51.96	0.87%
Call/Overnight Accounts	4.72	0.33%	3.12	0.55%
Enhanced Cash Funds	10.00	0.56%	10.00	0.67%
Fixed Long-Term (>365 days)	27.33	0.84%	21.53	0.97%
Money Market Funds	11.64	0.28%	13.16	0.62%
CCLA Local Authorities' Property Fund	15.00	4.60%	15.00	4.39%
<u>Overall Deposit Return</u>	120.84	1.06%	114.77	1.29%
<u>Benchmark Returns</u>	2017/2018		2018/2019	
	Offer (LIBOR)	Bid (LIBID)	Offer (LIBOR)	Bid (LIBID)
Average	0.45%	0.32%	0.78%	0.65%

Notes:

The 'Benchmark Return' figures are based upon Global Rates (national interest rate reporting web-site) average money market LIBOR and LIBID rates for periods between 1 night and 1 year as at 31st March 2019.

- 3.6 Total interest and dividends of £1,547,051 have been earned on the Council's deposits during 2018/19 at an average rate of 1.29% (1.06% in 2017/18). This amount is currently split between the General Fund (GF) and Housing Revenue Account (HRA) using the Composite Interest Rate (CIR) of 1.29% applied to the GF and HRA notional cash balances. In 2018/19 the GF has received £673,863 and the HRA, £873,188. This has resulted in a shortfall on the GF's interest and dividends income budget of £147,057.

- 3.7 This 'one pool' approach to the investment of cash balances reflects the Council's current position which does not distinguish between cash balances derived from the GF and HRA, or the 'ring-fenced' nature of the HRA and the balance of risk between the two funds.
- 3.8 As a result, it is proposed to review the use of the 'one pool' approach, bringing forward any recommendations for change through the Medium Term Financial Strategies (MTFS) and Treasury Management Strategy Statement.
- 3.9 The interest earned for CCLA Local Authorities' Property Fund for 2018/19 amounted to £656,020 (which is included in paragraph 3.6, above) which equated to an annual yield of 4.39%.
- 3.10 A summary of deposits is shown at Appendix A.

4. Interest Rate Update

- 4.1 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 market interest and investment rates. Link's opinion is presented at Appendix B, and provides an overview as at 31st March 2019.
- 4.2 The Bank of England's May 2019 Inflation Report gives additional information on growth, inflation and interest rates. The Bank of England's Monetary Policy Committee (MPC) noted that the future outlook for growth remains reasonably solid. No changes to interest rates (0.75%, with 9 to 0 majority) or quantitative easing (£435bn) were made. Noticeable increases in employment were observed.
- 4.3 Growth did moderate, though, to around 1.7% during 2018. The MPC sets monetary policy to meet the 2% inflation target, which helps to sustain growth and employment. This is close to the current CPI Inflation rate.

5. Prudential and Treasury Indicators

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

6. Revisions to the Counterparty List

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

7. Markets in Financial Instruments Directive II (MiFID II)

- 7.1 This is to update Members since the last report (BSR on 21/02/2019), that registrations have now been completed, including Officers that deal with all our Financial Institutions (FIs).
- 7.2 Consequently, the Council has been successfully upgraded to Professional status, meaning our skills base is comprehensive enough to undertake investments in line with our current Investment Strategy.

8. Implications

(a) Financial Implications

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

(b) Staffing Implications

None.

(c) Equality and Poverty Implications

No negative impacts identified.

(d) Environmental Implications

None.

(e) Procurement Implications

None.

(f) Community Safety Implications

No community safety Implications.

9. Consultation and communication considerations

None required.

10. Background papers

No background papers were used in the preparation of this report.

11. Appendices

11.1 Appendix A – The Council's deposits as at 31st March 2019

Appendix B – Link's opinion on UK interest rates

Appendix C – Prudential Indicators – Outturn for 2018/19

Appendix D – Current Counterparty List

Appendix E – Glossary of Terms and Abbreviations

12. Inspection of papers

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

Author's Name:

Stephen Bevis

Author's Tel. No.

01223 - 458153

Author's Email:

stephen.bevis@cambridge.gov.uk

TREASURY MANAGEMENT POSITION AS AT 31st March 2019

CURRENT DEPOSITS

The Council's deposits as at 31st March 2019 are shown in the table below:-

Counterparty	% Rate	Duration	Principal (£'000)
Fixed Term Deposits			
Lloyds Bank Plc (RFB)	1.00	6 months	5,000
West Dunbartonshire Council	0.85	6 months	5,000
Bank of Scotland Plc (RFB)	0.85	9 months	2,000
Bank of Scotland Plc (RFB)	0.85	9 months	5,000
Thurrock Borough Council	0.95	9 months	3,000
Blaenau Gwent Council	0.95	9 months	3,000
Standard Chartered Bank	1.07	6 months	3,000
Lloyds Bank Plc (RFB)	1.05	9 months	3,000
Bank of Scotland Plc (RFB)	1.05	9 months	1,000
Lloyds Bank Plc (RFB)	1.05	9 months	1,000
Standard Chartered Bank	1.06	6 months	2,000
Lloyds Bank Plc (RFB)	1.05	1 year	5,000
Thurrock Borough Council	0.98	9 months	2,000
Lloyds Bank Plc (RFB)	1.10	1 year	6,000
Doncaster MBC	0.90	2 years	5,000
Stockport MBC	1.00	1 year	5,000
Cherwell District Council	1.05	1 year	5,000
Bank of Scotland Plc (RFB)	1.10	1 year	3,000
Cambridgeshire County Council	1.30	2 years	5,000
Allia Ltd	2.40	5 years	2,200
Total Fixed Term Deposits			71,200
Variable Rate Notice Accounts			
Barclays Bank Plc	0.65	Same Day Notice	2,177
CCLA Local Authorities' Property Fund	4.39	5 years	15,000
Aberdeen Liquidity Fund (Lux) – Sterling Fund (Class L1)	0.78884	Same Day Notice	5,000
Insight Liquidity Funds Plc – GBP Liquidity Fund (Class 3)	0.75431	Same Day Notice	1,000
Payden Sterling Reserve Fund	0.87410	4 Day	5,000
Royal London Cash Plus Fund Y (Gross Inc)	0.74611	3 Day	5,000
Total Variable Rate Notice Accounts			33,177
TOTAL	-	-	104,377

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

LINK'S OPINION ON UK INTEREST & INVESTMENT RATES AS AT 31ST MARCH 2019

After weak **economic growth** of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in **wage inflation** which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for **CPI inflation** itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in **household spending power** is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Link's Prediction for Interest Rates

The following table shows when Link predict interest rates will rise, together with an estimate of other interest rates. Link estimate that the Bank Rate will rise from 0.75% to 1.00% in March 2020.

	NOW	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
BANK RATE	0.75%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%	1.75%
3 month LIBID	0.70%	0.70%	0.90%	1.00%	1.00%	1.20%	1.20%	1.20%	1.50%	1.50%	1.50%	1.70%
6 month LIBID	0.80%	0.80%	0.90%	1.10%	1.20%	1.30%	1.30%	1.40%	1.60%	1.60%	1.70%	1.80%
12 month LIBID	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%
5yr PWLB	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.20%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB	2.10%	2.20%	2.30%	2.40%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.60%
50yr PWLB	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10	3.20	3.30%	3.30%

Link's Issue Date:- 8th May 2019

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2017/18 £'000	Current Budget* 2018/19 £'000	Actual 2018/19 £'000
PRUDENTIAL INDICATORS			
Capital expenditure			
- General Fund	29,337	43,748	29,112
- HRA	18,154	36,151	30,902
Total	47,491	79,899	60,014
Capital Financing Requirement (CFR) as at 31 March			
- General Fund	26,273	34,133	17,646
- HRA	214,321	214,321	214,321
Total	240,594	248,454	231,967
Change in the CFR (Note 2)	15,576	7,860	-8,627
Deposits at 31 March (Note 3)	106,929	106,000	104,377
External Gross Debt	213,572	213,572	213,572
Ratio of financing costs to net revenue stream			
-General Fund	-2.41%	-2.59%	-2.59%
-HRA	14.99%	16.13%	16.13%
Total	12.58%	13.54%	13.54%

*Note1: Refers to the Council's Budget Setting Report 2018/19 as agreed by Council on 21st February 2019.

Note 2: Includes additional financing of capital expenditure of (-)£8,389k & MRP of (-)£238k.

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

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2017/18 £'000	Current Budget* 2018/19 £'000	Actual 2018/19 £'000
TREASURY INDICATORS			
Authorised limit			
for borrowing	250,000	250,000	250,000
for other long term liabilities	0	0	0
Total	250,000	250,000	250,000
HRA Debt Limit	230,839	No limit	No limit
Operational boundary			
for external borrowing	213,572	213,572	213,572
for other long term liabilities	0	0	0
For internal borrowing	27,022	28,495	23,395
Total	240,594	242,067	236,967
Upper limit for total principal sums deposited for over 364 days & up to 5 years	50,000	50,000	50,000
Upper limit for fixed & variable interest rate exposure			
Net interest on fixed rate borrowing/deposits	6,798	6,141	6,141
Net interest on variable rate borrowing/deposits	-18	-15	-15
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit
10 years and above (PWL B borrowing for HRA Reform)		100%	100%

*Note1: Refers to the Council's Budget Setting Report 2018/19 as agreed by Council on 21st February 2019.

Annual Treasury Management (Outturn) Report 2018/19

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 (*references have now been made to RFB & NRFB for UK Banks, with explanations within the Glossary at Appendix E).

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 – NRFB*	Using Link's Credit Criteria	UK Bank	35m
HSBC Bank Plc – NRFB*	Using Link's Credit Criteria	UK Bank	20m
HSBC UK Bank Plc – RFB*	Using Link's Credit Criteria	UK Bank	20m
Standard Chartered Bank	Using Link's Credit Criteria	UK Bank	20m
Bank of Scotland Plc (BoS) – RFB*	Using Link's Credit Criteria	UK Bank	20m
Lloyds Bank Plc – RFB*	Using Link's Credit Criteria	UK Bank	20m
National Westminster Bank Plc (NWB) – RFB*	Using Link's Credit Criteria	UK Nationalised Bank	20m
Santander UK Plc	Using Link's Credit Criteria	UK Bank	5m

Name	Council's Current Deposit Period	Category	Limit (£)
The Royal Bank of Scotland Plc (RBS) – RFB*	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: AAf/S1, Fitch: AA/S1)	Over 3 months and up to 1 year	Financial Instrument	10m (per single counterparty)
Enhanced Money Market Funds (not below AAf) - VNAV	Over 3 months and up to 1 year	Financial Instrument	5m (per fund)
Money Market Funds (AAf) – CNAV, VNAV & LVNAV	Liquid Rolling Balance	Financial Instrument	15m (per fund) With no maximum limit overall
Custodian of Funds	Requirement for Undertaking Financial Instruments	Fund Managers	Up to 15m (per single counterparty)
UK Government Treasury Bills	Up to 6 months	Financial Instrument	15m
Other Specified Investments - UK Building Societies:-			
Name	Council's Current Deposit Period	Society Asset Value (£'m) – as at 26 th April 2019	Limit (£)
Nationwide Building Society	1 month or in line with Link's Credit Criteria, if longer	227,303	Assets greater than £100,000m - £20m
Yorkshire Building Society		50,417	
Coventry Building Society		45,446	Assets between £50,000m and £99,999m - £5m
Skipton Building Society		21,638	
Leeds Building Society		19,643	

Name	Council's Current Deposit Period	Category	Limit (£)
Principality Building Society		9,502	Assets between £5,000m and £49,999m - £2m
West Bromwich Building Society		5,794	
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)
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	20m (in total)
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/S1)	Over 1 year and up to 5 years	Financial Instrument	10m (per single counterparty)
Enhanced Money Market Funds (not below AAf) - VNAV	Over 1 year and up to 5 years	Financial Instrument	5m (per fund)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Secured Local Bond in Local Businesses – Using Allia Limited	N/A	Local Business Bond	Up to £5m in total

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

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
Counterparties	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
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
Government CNAV	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)

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
Low Volatility Net asset Value (LVNAV)	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)
MHCLG	Ministry for Housing, Department for Communities & Local Government (formerly the Department for Communities & Local Government, DCLG)
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
NHBC	National House Building Council
Non Ring Fenced Bank (NRFB)	Government & Bank of England rules will apply to all UK Banks which have to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks for the 1 st January 2019 deadline
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed
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

Term	Definition
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
Ring Fenced Bank (RFB)	Government & Bank of England rules will apply to all UK Banks which have to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks for the 1 st January 2019 deadline
Security	A measure of the creditworthiness of a counter-party
Specified Investments	Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multi-lateral Development Bank Bond
UK Government Gilts	Longer-term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury
Variable Net Asset Value	MMFs values based on daily market fluctuations to 2 decimal places known as mark-to-market prices
Weighted Average Life (WAL)	Weighted average length of time of unpaid principal
Weighted Average Maturity (WAM)	Weighted average amount of time to maturity
Yield	Interest, or rate of return, on an investment

Present:

Present: Councillors Davey (Chair), Bick, Dalzell, Davies and Green

Executive Councillor: Robertson (Executive Councillor for Finance and Resources)

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

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Overview

The report presented a summary of the 2018/19 outturn position (actual income and expenditure) for all portfolios, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets were highlighted. Explanations had been reported to individual Executive Councillors / Scrutiny Committees and were reproduced here.

The Strategy and Resources Scrutiny Committee resolved unanimously to endorse the recommendation.

Accordingly, Council is recommended to:

- i) Carry forward requests totalling £923,000k revenue funding from 2018/19 to 2019/20, as detailed in Appendix C of the officers report.
- ii) Carry forward requests of £14,539k capital resources from 2018/19 to 2019/20 to fund rephased net capital spending, as detailed in Appendix D of the officers report.

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Item

Strategy & Resources Scrutiny Committee

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Overview

To:

Councillor Robertson, Executive Councillor for Finance & Resources

Report by:

Chief Executive, Strategic Directors, Head of Finance

Date:

1 July 2019

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

1.1 This report presents, for all Portfolios:

- a) A summary of actual income and expenditure compared to the final budget for 2018/19 (outturn position)
- b) Revenue and capital budget variances with explanations as reported to individual Executive Councillors and Scrutiny Committees
- c) Specific requests to carry forward funding available from budget underspends into 2019/20.

1.2 This year will be the last year that individual reports are produced for each portfolio for presentation to the relevant scrutiny committee. In line with the revised budget scrutiny process followed for the 2019/20 budget, one combined 2019/20 General Fund outturn report covering all portfolios will be produced for scrutiny at Strategy and Resources Scrutiny Committee.

- 1.3 The outturn reports presented in this Committee cycle reflect the Executive Portfolios for which budgets were originally approved (which may have changed since, for example for any changes in Portfolio responsibilities). Therefore members of all committees have been asked to consider proposals to carry forward budgets and make their views known to the Executive Councillor for Finance and Resources, for consideration at Strategy and Resources Scrutiny Committee prior to recommendations to Council.

2. Recommendations

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

- a) Carry forward requests totalling £923,000 revenue funding from 2018/19 to 2019/20, as detailed in **Appendix C**.
- b) Carry forward requests of £14,538k capital resources from 2018/19 to 2019/20 to fund rephased net capital spending, as detailed in **Appendix D**.

3. Background

Revenue Outturn

- 3.1 The overall revenue budget outturn position for all Portfolios is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2017/18 £'000	General Fund Revenue Summary	2018/19 £'000	% Final Budget
19,681	Original Budget	19,943	87.2
914	Adjustment – Prior Year Carry Forwards	952	4.2
-	Adjustment – Service Restructure Costs	-	-
2,317	Adjustment – Earmarked Reserves	2,123	9.3
(60)	Adjustment – Capital Charges	253	1.1
-	Adjustment – Central & Support	86	0.4

	reallocations		
23	Other Adjustments	(508)	(2.2)
22,875	Final Budget	22,849	(100.0)
20,903	Outturn	21,555	94.3
(1,972)	(Under) / Overspend for the year	(1,294)	(5.7)
1,330	Carry Forward Requests	923	4.1
(642)	Variation on committees	(371)	(1.6)
(648)	Other variances (mainly earmarked reserves and retained business rates)	2,061	9.0
298	Capital expenditure financed from revenue	(476)	(2.1)
(992)	Variance and increased use of General Fund Reserves	1,214	5.3

3.2 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for all Portfolios for 2018/19. The original revenue budget for 2018/19 was approved by the Council on 22 February 2018.

3.3 **Appendix B** provides explanations of the main variances.

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

Capital Outturn

3.5 The overall capital budget outturn position for all Portfolios is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2017/18 £'000	General Fund Portfolio Capital Summary	2018/19 £'000	% Final Budget
39,843	Final Budget	43,211	100.0
27,831	Outturn	28,325	65.6
(12,012)	Variation - (Under)/Overspend for the year	(14,886)	(34.4)
10,313	Rephasing Requests	14,538	33.6
(1,699)	Variance	(348)	(0.8)

2017/18 £'000	HRA Capital Summary	2018/19 £'000	% Final Budget
47,263	Original Budget	41,105	111.1
2,668	Adjustments (Re-phasing -prior year)	3,099	0.8
(25,905)	Other Adjustments	(7,205)	(0.19)
24,026	Final Budget	36,999	100.0
18,923	Outturn	31,687	85.6
(5,103)	(Under)/Overspend for the year	(5,312)	(14.4)
3,798	Re-phasing Requests	5,256	14.2
(1,305)	(Under) / Overspend	(56)	(0.2)

General Fund

- 3.6 The major reasons for variances and rephasing includes **Environmental Services and City Centre** £351k due to delays in the progress of the Shared ICT waste management system and £276k for the redevelopment of Silver Street Toilets, **Streets and Open Spaces** unspent budget for the Environmental Improvements Programme of £453k, **Planning Policy and Transport** transfer of budgets for the cycleways programme £397k, **Finance and Resources** Investment in Commercial Property Portfolio of £1,196k and Cromwell road development – equity loan to CIP of £1,113k and the local investment bond of £2,800, equity loan of £1,491 and development loan of £1,499 to CIP in relation to the Mill Road Development.

HRA

- 3.7 Spending in the Housing Capital Investment Plan in 2018/19 was below that originally anticipated, with reduction in the budget, particularly for new build expenditure as part of the Medium Term Financial Strategy in September / October 2018.
- 3.8 At outturn, against the latest capital budget approved, underspending of £1,366,000 was evident in new build investment, with slippage of £1,466,000 identified. This related predominantly to delays in respect of re-development schemes at Colville Road, which now has approval and is proceeding and Campkin Road, which is subject to a report to this committee cycle. The schemes at Kingsway, Ventress Close and the 2015/16 garage sites have also suffered some delays.
- 3.9 Investment in the housing stock, in respect of decent homes and other capital activity was underspent by £3,396,000, with the need to defer £3,198,000 of investment into future years having been identified.
- 3.10 The capital expenditure relating to the acquisition of dwellings was greater than anticipated in 2018/19, with a delay in acquiring a dwelling from the County Council, the project to replace the Housing Management Information System will span multiple years and the allowance of £243,000 to meet inflation across all aspects of the programme was not allocated, as underspending across the programme meant that this was not necessary. It is requested that the funding for the new IT system and the inflation allowance is re-phased into 2019/20 to allow the authority to proceed and enter into contracts and affordable housing agreements that have been delayed.
- 3.11 Permission is sought to re-phase the use of £72,000 of Disabled Facilities Grant into 2019/20, and to recognise the deferral of assumed receipt of Devolution Grant (£135,000), where these will be used to finance re-phased capital expenditure identified.
- 3.12 Recognition also needs to be given to a reduced use of major repairs reserve as a funding source in 2018/19 (£262,000), with the need to recognise the deferred use of this in 2019/20 to finance re-phased capital expenditure.

4. Implications

- 4.1 The net variance from the final budget (see above) on committees would result a decreased use of General Fund reserves of £1,294k. After revenue carry forwards of £923k this is £371k. After capital projects financed from revenue of (£476k) and net variances (mainly for earmarked reserves and retained business rates) the overall variance and increased use of General Fund Reserves is £1,214k.
- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have financial, staffing, equality and poverty, environmental, procurement or community safety implications.

(a) Financial Implications

Any financial implications are included in the Appendices.

(b) Staffing Implications

Any staffing implications are included in the Appendices.

(c) Equality and Poverty Implications

Any equality and poverty implications are included in the Appendices.

(d) Environmental Implications

Any environmental implications are included in the Appendices.

(e) Procurement Implications

Any procurement implications are included in the Appendices.

(f) Community Safety Implications

Any community safety Implications are included in the Appendices.

5. Consultation and communication considerations

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:

- Closedown Working Files 2018/19
- Directors' Variance Explanations – March 2019
- Budgetary Control Reports to 31 March 2019
- Capital Monitoring Reports – March 2019

7. Appendices

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

Appendix	Proposal Type	Included
A	Revenue Summary for this portfolio	✓
B	Revenue Major Variances for this portfolio	✓
C	Carry Forward Requests for this portfolio	✓
D	Capital Summary 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: Karen Whyatt
Authors' Phone Numbers: 01223 - 458145
Authors' Emails: karen.whyatt@cambridge.gov.uk

Revenue Budget - 2018/19 Outturn

	<i>Original Budget 18/19 £000</i>	<i>Final Budget 18/19 £000</i>	<i>Outturn 18/19 £000</i>	<i>Variation Increase / (Decrease) £000</i>	<i>Carry Forward Requests - See Appendix C £000</i>	<i>Net Variance £000</i>
Committee / Portfolio						
Environment & Community Committee						
Communities Portfolio	7,220	7,476	7,585	109	56	165
Environmental Services & City Centre Portfolio	4,454	4,413	4,458	45	80	125
Streets & Open Spaces Portfolio	6,035	6,265	6,009	(256)	50	(206)
Total Environment & Community Committee	17,709	18,154	18,052	(102)	186	84
Housing Committee						
Housing (GF) Portfolio	3,783	3,822	3,673	(149)	0	(149)
Total Housing Committee	3,783	3,822	3,673	(149)	0	(149)
Planning & Transport Committee						
Planning Policy & Transport Portfolio	(1,475)	(971)	(1,047)	(76)	0	(76)
Total Planning & Transport Committee	(1,475)	(971)	(1,047)	(76)	0	(76)
Strategy & Resources Committee						
Finance & Resources Portfolio	(5,314)	(5,183)	(6,272)	(1,089)	85	(1,004)
Strategy & Transformation Portfolio	5,240	7,027	7,149	122	652	774
Total Strategy & Resources Committee	(74)	1,844	877	(967)	737	(230)
Total Portfolios / Committees	19,943	22,849	21,555	(1,294)	923	(371)
Capital Accounting Adjustments	(6,099)	(6,323)	(6,363)	(40)	0	(40)
Capital Expenditure Financed from Revenue	1,540	1,514	1,038	(476)	0	(476)
Contributions to Earmarked Funds	5,478	5,623	8,238	2,615	0	2,615
Contributions to/(from) Reserves	(430)	(752)	(1,043)	(291)	(923)	(1,214)
	489	62	1,870	1,808	(923)	885
Net Spending Requirement	20,432	22,911	23,425	514	0	514
Financed By:						
Settlement Funding Assessment	(5,684)	(5,533)	(6,022)	(489)	0	(489)
New Homes Bonus	(5,595)	(5,595)	(5,596)	(1)	0	(1)
Other Grants from Central Government	0	(45)	(76)	(31)	0	(31)
Appropriations from Earmarked Reserves	(926)	(3,511)	(3,504)	7	0	7
Council Tax	(8,243)	(8,243)	(8,227)	16	0	16
Collection Fund (Surplus)/Deficit	16	16	0	(16)	0	(16)
Total Financing	(20,432)	(22,911)	(23,425)	(514)	0	(514)
Net Total	0	0	0	0	0	0

Communities Portfolio / Environment & Community Committee

Revenue Budget 2018/19 – Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount	£	Contact
Community Centres	The Meadows Community Centre – The variance is partly due to an underspend on maintenance due to the future of centre being under discussion and as a result planned works have been put on hold (£14k). Also there has been an underspend on agency staff as agency unable to supply café staff when requested (£4k) and an over achievement on income (£23k)	(44,504)		Jackie Hanson
Community Centres	Clay Farm Community Centre - The delay in the opening of the medical centre at Clay Farm has meant that there has had to be an accounting adjustment to reflect the loss of rental income to the Council. This shows as a £200k underachievement of income, which is compensated by an equivalent underspend in the Finance General cost centre for a Minimum Revenue Provision Charge. Income and MRP charges are anticipated to commence in the 2nd quarter of 2019/20. Gas bill tariff is much higher than anticipated but has now been reviewed and a rebate is expected.	245,709		Sally Roden
Community Development	Community Development - Admin - The main underspend on this cost centre is because there was a full year budget for the post of Strategic Project Manager but it was not filled until August 18. There have been various other minor planned underspends in order to part cover the known additional costs around Cambridge Live.	(22,483)		Cathy Heath
Sport & Recreation	Leisure Contract Management Fees - The underspend is predominantly on the leisure contract charges and is as a result of compounded interest on the budget line and a much lower CPI figure used to inflate the contract per year.	(35,136)		Ian Ross
Sport & Recreation	Leisure Contract Client Costs – The underspend is made up of a variety of smaller underspends within the budget but are focussed on. A planned budgeted underspend to be carried forward to go towards the approved Abbey Pool Hall improvement project (circa £56K) There is an underspend in the Discretionary Rate Relief line of over £20K as recharges this year are much lower than previously budgeted for. The majority of Contract Variation sums have not been required, and a proportion of these form part of next years savings.	(117,021)		Ian Ross
Culture & Community	Cultural Facilities Administration - Supplies and services are overspent as the result of unavoidable legal and financial fees in connection with Cambridge Live and the additional health and safety costs relating to City Events.	92,388		Jane Wilson
Other	Miscellaneous	(9,909)		-
		109,044		

Environmental Services & City Centre Portfolio / Environment & Community Committee

Revenue Budget 2018/19 – Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount	£	Contact
Garage Services	Fleet Management - Operational - Variance of £106K largely attributed to an increase in employee costs. There have been ongoing long-term health issues with two members of the team resulting in the use of agency staff accounting for approx. £60K of this variance plus there has been an increase in overtime work. Purchase of parts more than forecast but this is offset by increases in internal income.	106,500		David Cox
Garage Services	Garage- External Work – The variance is largely due to the income received from the other local authorities being lower than expected by £158k. All other contracts finished on or very near target forecast. Forecast income target for this cost centre for 2019/20 has been reduced by £110K in 19-20 as a result of reviewing the income forecast model for 18-19.	166,669		David Cox
Environmental Health	Out of Hours - There remains a vacant part time Out of Hours Noise Officer post. This has been the case since July 2018 and is pending until the completion of the CCC Out of Hours Review.	(22,434)		Clare Adelizzi
Tourism & City Centre Management	Market Square Project - This project is to be delivered by consultants in two stages: 1 (Feasibility Study) and 2 (Concept Design). Work on Stage 1 commenced November, 2018 and is scheduled to be completed May, 2019. Work on Stage 2 will then commence and be completed by January, 2020. As a result of these scheduled completion dates, a carry forward request into 2019/20 has been made for the budget balance of £79,530.	(79,534)		Joel Carre
Tourism & City Centre Management	Markets - Team has adopted a more pro-active, commercially approach to managing stall applications/ vacancies, which has resulted in the £10k over-achievement of income. The £30k underspend on salaries relates to a vacant Market Officer (1 FTE) post, following the promotion of the post-holder to the new Market and Street Trading Manager post in October 2018	(54,611)		Tim Jones
Waste & Recycling	Waste Collection – The overall waste underspend totals £129,700 which equates to 5.2% of the total waste net budget.	(54,233)		Suzanne Hemingway
Waste & Recycling	Waste Policy – see waste collection above	(64,714)		Suzanne Hemingway
Tourism	This relates to the Visit Cambridge and Beyond set up loan for which payment is no longer required. The charge has been removed from the balance sheet and charged back to the department	90,305		Caroline Ryba
Other	Miscellaneous	(42,998)		
		(44,950)		

Streets & Open Spaces Portfolio / Environment & Community Committee

Revenue Budget 2018/19 – Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount	£	Contact
Bereavement Services	City Cambridge Cemeteries - with careful budget monitoring we have maintained a positive operating position. We are closely monitoring budget spend at present and have held off on some of the non-essential maintenance of buildings and grounds. There is a reduction in memorialisation within the service due to the reduction in services.	(63,763)		Glyn Theobald
Bereavement Services	Cambridge Crematorium - The A14 will continue to have an effect on the cremation services until the end of the A14 project. The Funeral directors have been quiet throughout 2018. The Cam Valley crematorium opened in Feb 2018 and funeral directors from Duxford, Saffron Walden and Royston area have started to use Cam Valley. Confirmation that one firm is using this crematorium purely on the basis of traveling time meaning we have lost in the region of 240 funerals from them alone.	469,398		Glyn Theobald
Bereavement Services	Bereavement Services Central Costs - To maintain a positive operating position we are closely monitoring budget spend at present and are holding off on some of the none essential maintenance of buildings and grounds. We have successfully recruited in 2018 to fill the vacant positions within the administration team which is now completed. We are operating with a reduced operations team. The service recruitment will be undertaken in line with revenue performance monitoring.	(56,123)		Glyn Theobald
Bereavement Services	Transfer to Bereavement Services – This is the total underachievement for the service which is funded from the Bereavement Investment Fund. Reasons for the variance are included in the individual cost centres above.	(342,024)		Glyn Theobald
Streets and Open Spaces	Ground Maintenance - Direct - over achievement of income new build underspend on resource/salaries/as overspend on street cleaning underspend on supplies due to pursuing new suppliers underspend on transport due to less accidents and repairs	(50,937)		Paul Jones
Streets and Open Spaces	Streets & Open Spaces (Operations) - Indirect Costs – There has been an overspend in employee costs of £20k including £7k on agency staff. This was due to a number of front line staff on long term sickness absence and having to bring in agency operatives to carry on with the continuity of the operational services	24,652		Don Blair
Streets and Open Spaces	S&OS Community Engagement - Overspend due to Streets and Open Spaces Restructure and staffing changes and one off cost. Two FTE left and one FTE redeployed to alternative area within the council.	67,587		Wendy Johnston
Open Space Management	Open Space Asset Management - The introduction of charging at Lammas Land was delayed to allow the outcomes of the residents parking scheme for the Newnham area to be known to avoid parking displacement and impact on the local streets. Thus the £80k income from parking charges was not achieved. This plus additional miscellaneous expenditure of £53k was partly offset by an underspend on City wide environmental improvements funded from the University Arms ground rent of £112.5k with the balance over many different budgets. £50k of the £112.5k is requested to be carried over to 19-20.	48,322		Alistair Wilson

Appendix B

Service Grouping	Reason for Variance	Amount	£	Contact
Open Space Management	Closed Churchyards - 9k underspend on Grounds Maintenance & 9k underspend on supplies. 18k underspend on War Memorial as this was not delivered due to inclement weather	(38,338)		Anthony French
Open Space Management	Lettings & Events on Open Spaces - Due to an error uploading the budget proposals in 2018/19 there is an additional 40k income budget showing. This will be corrected for 2019/20. 18k overspend on Grounds Maintenance 10k overspend on advertising & other small overspends across budget lines accounting for services on parks improvements to facilitate key events, i.e. permanent ice rink water supply installed.	70,414		Anthony French
Open Space Management	Play Maintenance - Due to workload pressures the proposal to develop Hazlewood and Molewood close play areas were not delivered by the end of the financial year resulting in an underspend in the maintenance of play area budget of £27k.	(24,911)		John Parrott
Open Space Management	Public Toilets - 102k overspend on the cleaning contract including 84k on programmed works. This is being investigated but payments have been made for cleaning at the Emmanuel toilets which are outside of the remit of the normal cleaning contract. Water for previous financial years invoices have come to light and have had to be paid in 2018-19 for which there was no budget. Also there has been 10K underachievement in toilet admission fees which has been offset by a 20k underspend on toilet supplies.	84,294		Anthony French
Environmental Improvements	Project Delivery (Salaried) - Overachievement of S106 cost recovery from project for salaried staff	(35,599)		Alistair Wilson
Environmental Improvements	Project Delivery (Cost Recovered) - Majority of staff officer hours incurred developing and delivering capital funded projects recharged to capital cost centres prior to 18/19 close-down. Income target has increased in recent years, along with time spent on corporate processes and administration, but the notional 10% ceiling for chargeable time costs identified in 2011 is still in effect. Target therefore now becoming unmanageable and unrealistic.	33,089		John Richards
Head of Streets & Open Spaces	The variance is due to the release of commuted sums contributions to date for annual maintenance charges.	(404,677)		Joel Carre
Other	Miscellaneous	(37,129)		-
		(255,745)		

Planning Policy & Transport Portfolio / Planning & Transport Committee

Revenue Budget 2018/19 – Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount	£	Contact
Parking Services	Grand Arcade Car Park - Usage trends have been monitored and form an integral part of pricing strategy for the following year with the aim of managing demand and delivering budgetary expectations. Conscious of the stress on revenue budgets across service, expenditure has been tightly controlled to deliver a service wide balanced budget.*	79,761		Sean Cleary
Parking Services	Grafton Centre West Car Park – See Grand Arcade Car Park explanation above*	(70,493)		Sean Cleary
Parking Services	Grafton Centre East Car Park - See Grand Arcade Car Park explanation above*	(35,641)		Sean Cleary
Parking Services	Queen Anne Terrace Car Park - See Grand Arcade Car Park explanation above*	(101,608)		Sean Cleary
Parking Services	Parking Administration - The service has deliberately gapped a post as it forms an important part of the in-flow service review, this has driven the majority of this underspend. The remainder is a result of expenditure being tightly controlled to deliver a service wide balanced budget.	(73,184)		Sean Cleary
Transport Services	Public Transport Subsidy - Take up of service has been lower than expected.	(23,306)		Sharon Line
Transport Services	Taxicard Service - Usage of taxi card in year has been lower than predicted.	(63,247)		Sharon Line
Streets and Open Spaces	Flood Risk Management - 26k underachievement in income partly offset by 5k underspend on cleaning. There is £5k debtor for Hobsons Conduit Trust which is not included in the cost centre which will be raised in 2019/20.	21,885		Rachel Veysey
Shared Director of Planning and Economic Development	This is for staffing costs which will be transferred to support service trading balances.	75,423		Stephen Kelly
Greater Cambridge Planning Service	This is due to an income shortfall of £499k is the combined result of the impact of Brexit and that that many of the major schemes are beginning to fall in South Cambs rather than Cambridge City. It is recognised that income budgets need to be reviewed and reset. This shortfall is offset by an underspend due to vacant posts results from the long-standing difficulties in the recruitment and retention of professional planners. This is due to a recognised national shortage of professional planners and the issue is particularly acute in this part of the country. This also leads to the corresponding overspend on non-salary budgets due to the use of contractors to fill resource gaps where we can.	111,126		Stephen Kelly
Other	Miscellaneous	3,698		-
		(75,586)		

General Fund Housing Portfolio / Housing Scrutiny Committee

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Housing Strategy, Home Aid, Housing Advice, General Fund and Other Housing			
Housing Strategy	Underspending in Housing Strategy was due to a vacant Enabling / Development Officer role for a proportion of the year, which once filled, was done so on a shared basis with South Cambridgeshire District Council. A 7 hours per week vacancy in the Housing Strategy Manager post, held for funding research and government grant for community housing projects, was not required to be spent in-year, and has been removed from the base budget from 2019/20.	(48,254)	Helen Reed
Homelessness	Although the costs of bed and breakfast and emergency accommodation were lower than anticipated, this underspend was more than offset by under-recovery in respect of these costs from both housing benefit and the residents themselves.	22,878	James McWilliams
Choice Based Lettings (Revenue Running Costs)	The revenue running costs for the Sub-Regional Choice Based Lettings system were more than budgeted in 2018/19, due predominantly to the need to pay for 2017/18 services provided by South Cambridgeshire District Council, which were invoiced late and where accruals were not made in the accounts in 2017/18.	16,369	James McWilliams
Contributions to / from the HRA	The recharge from the HRA to the General Fund for the cost of upkeep to shared amenities was greater than budgeted in 2018/19, due to the cost of amenity street lighting and removal of fly tipping.	24,649	Julia Hovells
Housing Advice Service	Expenditure in the Housing Advice Service for 2018/19 was less than budgeted, predominantly due to a number of vacancies in the team. Although additional staff resource was employed to respond to the requirements of the new Homeless Reduction Act, which was fully funded using Flexible Homeless Support Grant, the base staffing structure was not fully occupied all year, due to a number of internal promotions and acting up arrangements, all of which left vacant posts between appointments.	(62,799)	James McWilliams
Other		(16,318)	
Total		(63,475)	

General Fund Housing Portfolio / Housing Scrutiny Committee

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Environment - Environmental Health			
Energy Officer / Miscellaneous Housing Licensing	There was a £10,000 underspend in advertising costs in respect of energy related activity, coupled with a significant over-achievement in miscellaneous housing licensing fee income in 2018/19.	(81,451)	Jo Dicks
Other		(3,923)	
Total		(85,374)	
Total for Housing Portfolio		(148,849)	

Finance & Resources Portfolio / Strategy & Resources Committee

Revenue Budget 2018/19 – Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount	£	Contact
Sustainable City	<p>Sustainability Grants - The variance of £20,110 was due to:</p> <p>1. The budget for Sustainable City Grants to local environmental groups not being fully allocated during 2018/19. This was due to insufficient bids meeting the criteria for the fund.</p> <p>2. The budget for Sustainability Partnership Grants not being allocated. A grant to the Travel for Cambridgeshire partnership is no longer required, as TfC have moved to a model of charging employers for their services and no longer seek grant funding from local authorities. The grant to the Biodiversity Partnership was also not required.</p>	(20,110)		David Kidston
Customer Service Centre	<p>Customer Access Strategy - Customer Service Centre - Overall underspend on the cost centre is £33k. This consists of net underspend on staff of £30k, due to staff vacancies. Over the course of the year we have had significant gaps in our establishment whilst we recruited new employees. Our turnover this year has been high with over 10 staff promoted to new roles within and outside the authority.</p> <p>ICT expenses total £50k, however £27k out of that is expenditure that has been reimbursed by 3CICT, therefore overall the ICT budget is overspent by £3k.</p> <p>Underspend on conference expenses, uniform costs and contract charges total £6k. In total, the cost centre net underspend is at £33k at year end.</p>	(33,302)		Jonathan James
Customer Service Centre	<p>Cashiers - The overspend in the cashiers budget was due to software and hardware upgrades. These upgrades were required to ensure our payment software would be supported and that our payment hardware meets PCI compliance.</p>	28,929		Jonathan James
Corporate Business	<p>Corporate Business Support – Employees- £43K underspend as a result of vacant posts and flexible working requests.</p> <p>Supplies and services: £22.5k underspend across various codes including Maintenance of Equipment and Furniture, Printing, Conferences and Membership & Subscriptions.</p> <p>Balance is various: Small underspends across a range of codes.</p>	(73,734)		Sharon Line
IT Contract Management	<p>IT Contract Costs - Underspend of £226k made up as follows - Digital team staffing underspend due to vacancies -16k , overstated 17/18 creditor -£51k , project budgets outside the control of 3ICT -£76k Phased savings -£83k.</p>	(226,693)		Fiona Bryant
Admin Buildings	<p>Hobson House - Hobson House was vacated in summer 2018 and is no longer in CCC possession resulting in utility and other budgets set but no longer required. However, These budgets would need to be utilised to fund security costs and repairs to Cowley Road Compound in 2019/2020.</p>	(37,397)		Will Barfield
Admin Buildings	<p>130 Cowley Road – The underspend is mainly unspent cleaning contract charges. The budget was based on contractor's estimates for Mill Road as their intention was to charge the same amount although 130 Cowley Rd. is a much smaller site. The contract costs were in dispute at the time budgets were set. A manual creditor has been set up to cover outstanding 18/19 invoices although there has been an ongoing issue with the cleaning rates and continuing discussions about the pricing</p>	(28,033)		Will Barfield

Appendix B

Service Grouping	Reason for Variance	Amount	£	Contact
	difference between 130 and the Mill road depot rates.			
Admin Buildings	Cowley Road Compound – There has been an overspend of £52k on security of the premises due to the introduction of 24 hour guarding in July 2018 Previously internal staff carried out reception / security functions during the day at the Mill Road Depot site. The budget will need to be increased for 19/20 since no changes to security cover is planned at present. The additional spend relates to unexpected/ unplanned works at the depot when setting up the new site. There were many gaps in provision for works that came up on a day to day basis that were not highlighted during design and set up stage.	79,477		Will Barfield
Finance General	Finance General - Capital financing £247k underspend offsets a £200k over spend in cost centre 1050 due to delayed income from Clay Farm. Interest receivable reflects lower cash balances and lower interest rates as identified in the 2019/20 Budget report. (£250k growth approved going forward)	(24,715)		Ken Trotter
	Supplies and services includes local discounts for council tax			
Accountancy & Support Services	Accountancy and Support Services - A small underspend of 2% of net controllable spend has been achieved overall. This masks a significant underspend on permanent staff balanced by high agency staff costs, reflecting a number of key vacancies that have been covered on a temporary basis. The higher costs of agency staff have been mitigated by controlling spend on supplies and services.	(38,707)		Caroline Ryba
Internal Audit	Audit - The main factor contributing to the reported underspend is staff vacancies. These vacancies have been partly covered by agency staff in year to ensure delivery of the internal audit service.	(43,690)		Jonathan Tully
Human Resources	Human Resources Operations (Staff-General) - One vacant post now deleted; funding from this post used in year for temporary role. Second post partially vacant in year. Cost centre also includes saving for 2019/20 of £4.5k and underspend in year across cost centre.	(28,219)		Deborah Simpson
Human Resources	Human Resources - Organisational Development - Underspend relates to management development programme (£45k), now procured and commenced. Carry forward request for part of the underspend of £15.5k, to continue the programme in 2019/20. Balance is underspends across the cost centre.	(53,867)		Deborah Simpson
Legal Services	Legal - 3C Legal Practice at the year-end is able to report a surplus of -£200k. This is made up of a staffing underspend including mileage allowances of -£255k offset by tightly managed use of Locum staff cover (overspend £151k). Consultancy Fees and Conference expenditure underspend is -£27k. The Practice has exceeded its income target for the financial year by -£69k. The surplus of £200k is distributed between partners as follows - Cambridge City Council £108k, South Cambs, £55k and Huntingdon £37k.	(110,208)		Tom Lewis
Property Services - Other	Property Services - The underspend is mainly due to the progress of completion of feasibility studies (primarily Office Accommodation Strategy Phase 3). A carry forward of budget of £69.6k is requested in order that the feasibility studies can be completed in the 2019/20 financial year. Feasibility studies continue to be progressed and purchase order commitments have been raised.	(69,583)		Dave Prinsep
Property Services	Lion Yard - South End - The variance is primarily due to an increase in the minimum basic ground rent and a prior year geared ground rent receipt.	(112,635)		Philip Doggett

Appendix B

Service Grouping	Reason for Variance	Amount	£	Contact
Property Services	Other Commercial Properties - The variance is primarily due to a one-off non-refundable deposit of -£140k.	(155,479)		Philip Doggett
Property Services	Other Industrial Properties - The variance is primarily due to an over achievement of rental income from geared ground rents where the Council receives a proportion of income generated by property but managed by others.	(26,072)		Philip Doggett
Revenues and Benefits	Local Taxation - The variance is primarily due to higher than budgeted Local Taxation fee income (mainly court costs income) - £44k and a one-off residual Council Tax Benefit receipt of £19k.	(62,971)		Kevin Jay
Other	Miscellaneous	(51,548)		-
		(1,088,557)		

Strategy & External Partnerships Portfolio/ Strategy & Resources Committee

Revenue Budget 2018/19 – Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount	£	Contact
Corporate Strategy	<p>Corporate Policy - The variance (£66,529) is primarily due to an underspend of £56k on salaries. This is due to a combination of vacancies in the Corporate Project Manager, Senior Data Scientist and Digital Inclusion Officer posts for a significant proportion of the year, and a reduction in the Strategy and Partnerships Manager's working hours.</p> <p>The remaining underspend is a result of :</p> <ol style="list-style-type: none"> 1. Underspend on surveys due to the budget consultation being delivered in house rather than via an external market research agency 2. Smaller underspends on other elements of the budget e.g. maintenance of equipment, events and interpretation services 	(66,529)		David Kidston
Democratic Services	Elections – Election costs from May 2018 were overspent: increased staffing and polling station rental costs, which were necessary expenditure to run the poll. A by-election outside of the scheduled polls also contributed to the overspend in 2018/19.	54,801		Vicky Breeding
Democratic Services	Committee Management - Underspend on salaries due to flexible retirement.	(34,714)		Gary Clift
Transformation Programme	<p>Programme Office - A carry forward request of £240K has been requested for approval</p> <p>The carry forward request is to provide the capacity for delivering transformation projects that are currently in progress or which will now be delivered later than originally planned. The approved transformation budget bid for 2019/20 as part of BSR 2018 was based on the assumption that an underspend from the programme 2018/19 would be carried forward.</p> <p>The carry forward request is made up of the following</p> <p>Redundancy provision - not called upon as much as forecast, as staff have been redeployed where possible C/F to provide provision in 2019/20</p> <p>Project Management and SMART Working Training – contracted delivered training will now not be completed until Q2 of 2019/20</p> <p>Project Management System Implementation contractually committed implementation did not complete in 2018/19 – expected to be completed by October 2019.</p> <p>Transformation funded projects that are WIP and were not completed in 2018/19</p> <p>Unallocated provision for transformation projects not used but required to support the development of new business cases for transformation and provide for in-year flexibility in 2019/20</p> <p>Contribution towards share services programme implementation costs – not completed in 2018/19– shared planning.</p>	(338,839)		Paul Boucher
Strategic Director 1	Cambridge Northern Fringe East (CNFE) - More detailed information required on the HIF project and AAP has been deferred into 19/20. A carry forward request for £364,710 has been submitted.	(366,518)		Fiona Bryant
Strategic Director	Strategic Director #2 - There is an overspend on the cost centre	20,712		Suzanne

Appendix B

Service Grouping	Reason for Variance	Amount	£	Contact
2	partly due to training expenditure of £11k that was not budgeted for plus a variance of £17k which relates to salary costs. An employee transferred to a role in this cost centre but the relevant budget has remained in the cost centre of their previous role. This has partly been offset by an underspend on supplies and services.			Hemingway
Facilities & Other Management	Emergency Planning - The budget for emergency planning consultancy contains a contingency to assist with emergency planning for major incidents, during this year not it was not fully required. There was an overachievement in the income for the services provided externally	(21,404)		Lynn Thomas
Central Costs	Central Provisions to be Allocated – £254k relates to the support services review shortfall and the rest from unallocated balances which are offset by variances within services so are overall net nil to the Council.	726,398		Karen Whyatt
Central Costs	Support Services Trading Balances – Variances on this cost centre are offset within services so are overall net nil to the Council.	218,490		Richard Wesbroom
Head of Finance - Holding/Suspense Accounts	Pensions Costs Recharged - Adjustments to this cost centre are made at the very end of closedown. These have now been actioned and this cost centre shows a minor underspend of £3k.	(40,631)		Karen Whyatt
	Miscellaneous	(29,542)		-
		270,066		

Communities Portfolio / Environment & Community Scrutiny Committee

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Budgets from 2018/19 into 2019/20

Item	Reason for Carry Forward Request	Amount £	Contact
1	Abbey Pool Planned Maintenance - Refurbishment of changing rooms whilst other planned improvement works are being carried out	56,000	Ian Ross
	Total Carry Forward Requests for Communities Portfolio	56,000	

Environmental Services & City Centre Portfolio / Environment & Community Scrutiny Committee

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Budgets from 2018/19 into 2019/20

Item	Reason for Carry Forward Request	Amount £	Contact
1	Market Square Project - Feasibility study to be completed in 2019/20 with will inform a business case for concept and developed design.	79,530	Sarah French
	Total Carry Forward Requests for Environmental Services & City Centre Portfolio	79,530	

Streets & Open Spaces Portfolio / Environment & Community Scrutiny Committee**Revenue Budget 2018/19 - Carry Forward Requests**

Request to Carry Forward Budgets from 2018/19 into 2019/20

Item	Reason for Carry Forward Request	Amount £	Contact
1	Open Spaces asset management - City wide environmental improvements funded from the University Arms ground rent re-profiled as part of a programme review	50,000	Alistair Wilson
	Total Carry Forward Requests for Streets & Open Spaces Portfolio	50,000	

Planning Policy & Transport Portfolio / Planning & Transport Scrutiny Committee

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Budgets from 2018/19 into 2019/20

Item	Reason for Carry Forward Request	Amount £	Contact
1	No Carry forwards are requested for this portfolio		
	Total Carry Forward Requests for Planning Policy & Transport Portfolio		

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Budgets from 2018/19 into 2019/20 and future years

Item		Request £	Contact
1	Housing General Fund		
	No carry forward requests	0	
2	Environment - Environmental Health		
	No carry forward requests	0	
Total Carry Forward Requests for General Fund Housing Portfolio		0	

Finance & Resources Portfolio / Strategy & Transformation Scrutiny Committee

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Budgets from 2018/19 into 2019/20

Item	Reason for Carry Forward Request	Amount £	Contact
1	Property Services – feasibility studies - Accommodation reviews and potential acquisition of Investment properties.	69,580	Dave Prinsep
2	Management Development Programme - Programme set up and development is now complete and the balance of the funding is to run the programme throughout 2019/20	15,500	Deborah Simpson
	Total Carry Forward Requests for Finance & Resources Portfolio	85,080	

Strategy & External Partnerships Portfolio / Strategy & Transformation Scrutiny Committee

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Budgets from 2018/19 into 2019/20

Item	Reason for Carry Forward Request	Amount £	Contact
1	Cambridge Northern Fringe East - HIF funding awarded 1st quarter 2019 and set up costs for the project will be funded by this carry forward	346,710	Fiona Bryant
2	Transformation projects - Completion of a 2 year project including introduction of improved project management SMART working and enhanced shared planning services.	240,000	Paul Boucher
3	Feasibility Studies - Projects have been re-examined as part of a re-profiling exercise and funding is required for current works in progress	56,420	Caroline Ryba
4	Asylum Seeker advice - 2 year project due to complete in the 1st half of 2019/20	8,500	Lynda Kilkelly
	Total Carry Forward Requests for Strategy & Transformation Portfolio	651,630	

Appendix D - Overview

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

Capital Budget 2018/19 - Outturn

Check

Committee	Original Budget 2018/19 £000	Final Budget 2018/19 £000	Outturn £000	Variance £000	Rephase £000	Over / (Under) Spend £000
Environment & Community Committee						
Communities Portfolio	50	1,026	740	(286)	284	(2)
Environmental Services & City Centre Portfolio	1,927	3,042	1,865	(1,177)	960	(217)
Streets & Open Spaces Portfolio	476	2,520	1,286	(1,234)	1,226	(8)
Environment & Community Committee Total	2,453	6,588	3,891	(2,697)	2,470	(227)
Housing Committee						
Housing (GF) Portfolio	17,366	17,366	17,166	(200)	200	0
Housing Committee Total	17,366	17,366	17,166	(200)	200	0
Planning & Transport Committee						
Planning Policy & Transport Portfolio	265	1,807	604	(1,203)	995	(208)
Planning & Transport Committee Total	265	1,807	604	(1,203)	995	(208)
Strategy & Resources Committee						
Finance & Resources Portfolio	4,862	16,512	6,163	(10,349)	10,436	87
Strategy & Transformation Portfolio	6,281	938	501	(437)	437	0
Strategy & Resources Committee Total	11,143	17,450	6,664	(10,786)	10,873	87
Total Committees	31,227	43,211	28,325	(14,886)	14,538	(348)
Housing (GF) Portfolio	803	848	785	(63)	72	9
Housing (HRA) Portfolio	40,302	36,151	30,902	(5,249)	5,184	(65)
Total for Housing Capital Investment Programme	41,105	36,999	31,687	(5,312)	5,256	(56)
Total Capital Plan	72,332	80,210	60,012	(20,198)	19,794	(404)

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

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

Capital Budget 2018/19 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2018/19 £'000's	Final Budget 2018/19 £'000's	Outturn 2018/19 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2019/20 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100039 - PR031g	Milton Rd Library community meeting space (S106)	Jackie Hanson	50	100	0	(100)	100	0	Grant agreement is with the County Council for signature. Project delayed as asbestos discovered and a rephase of the budget is requested. Project completion on target for 2019-20.
100062 - PR034n	Cambridge Gymnastics Academy grant for warehouse	Ian Ross	0	65	65	0	0	0	Project complete & open to the public
100063 - PR041g	Netherhall School: supplementary grant for gym	Ian Ross	0	236	180	(56)	56	0	Building works are completed but rephasing of the underspend of the budget is requested for purchase of gym equipment ready for a late May opening.
100090 - PR041a	Grant for refurbishment of Memorial Hall	Jackie Hanson	0	150	150	0	0	0	Project completed October 2018. Official opening after the elections 2019.
100099 - PR031n	Grant for 4 tennis courts at North Cambridge	Ian Ross	0	125	125	0	0	0	Project complete & open to the public
100108 - PR041b	Grant to Cambridge Gymnastics Academy	Ian Ross	0	75	75	0	0	0	Project complete & open to the public
100124	Reilly Way play area improvements (S106)	Alistair Wilson	0	5	0	(5)	0	(5)	Project complete
100128 - PR033r	Improvements to Histon Road Rec Ground football area (S106)	Ian Ross	0	31	34	3	0	3	Project complete & open to the public
100131 - PR030p	Outdoor fitness equipment near astroturf pitch	Ian Ross	0	42	41	(1)	1	0	Retention sums due to be paid in 19/20 to complete this project
100239 - SC681	Abbey astroturf floodlighting (S106)	Ian Ross	0	66	66	0	0	0	Project complete & open to the public
100244 - PR042a	St Clement's Church community grant (S106)	Jackie Hanson	0	30	0	(30)	30	0	Delays due to Anglia Water complex requirements
100245 - PR042b	Museum of Technology meeting space community grant (S106)	Jackie Hanson	0	31	29	(2)	2	0	Main project is complete. The remaining funding it to be spent on equipment.
100246 - PR042c	Grant for Netherhall School meeting space (S106)	Jackie Hanson	0	24	0	(24)	24	0	Work being completed over the school summer holidays.
100247 - PR042d	Romsey Mill community facility grant (S106)	Jackie Hanson	0	21	0	(21)	21	0	This is on target for a completion date of March 2020. This is part of a larger project and being undertaken in modules.
100248 - PR042e	Grant for Arbury Community Centre:	Jackie Hanson	0	25	50	25	(25)	0	Project complete. Original budget was split equally between 18-19 and 19-20. All £50k budget spent in 18-19 and a rephase of the 19-20 budget is requested to be moved back to 18-19.
Total Projects			50	1,026	815	(211)	209	(2)	
100022 - PV564	Clay Farm Community Centre -Phase 2 (Construction)	Ian Ross	0	0	(75)	(75)	75	0	Snagging list and defects works are currently being rectified and awaiting sign off in May 2019, this will allow for the last 2.5% of the build retention monies to be released. There are LADs (liquidated and ascertained damages) being held that are currently being paid out to partners. Settlement of accounts for the Capital build are still being concluded.
Total Provisions			0	0	(75)	(75)	75	0	
Total			50	1,026	740	(286)	284	(2)	

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

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

and are detailed and approved:

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

Capital Budget 2018/19 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2018/19 £'000's	Final Budget 2018/19 £'000's	Outturn 2018/19 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2019/20 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100023 - PR035	Waste & Recycling Bins - New Developments (S106)	Trevor Nicoll	100	284	119	(165)	165	0	The actual purchase of bins for new developments have not matched the original expected phasing. A review of the remaining S106 funds and when they are likely to be spent will be done in 19/20 and any budget implications will be included in the 20/21 budget papers
100171 - PR017	Vehicle Replacement Programme	David Cox	1,091	1,781	1,421	(360)	168	(192)	The underspend is due to the reduced cost of vehicles purchased plus the decision not to replace some vehicles. Rephase of the budget of £168k is requested for vehicles for which the purchase has been delayed.
Total Programmes			1,191	2,065	1,540	(525)	333	(192)	

100152 - SC636	Management of waste compound - vehicle	Don Blair	0	165	138	(27)	0	(27)	Project complete
100200 - SC654	Redevelopment of Silver Street Toilets	John Richards	283	315	39	(276)	276	0	Detailed design of replacement/ refurbished public toilets completed with planning application is imminent. Target build Q4 2019/20. Re-phasing of un-spent sums requested.
100207 - SC673	Roller brake tester for Waterbeach garage	David Cox	0	26	28	2	0	2	Project closed
100220 - SC651	Shared ICT waste management software	Joel Carre	453	453	102	(351)	351	0	Stage 2 (street cleansing) scheduled to 'go live' July, 2019, but only for 'back end' function, i.e.. S&OS, CSC and other service teams able to input service requests/ issues reports direct to frontline staff, but without public self-serve element. Not able to 'go live' with 'end to end' functionality (i.e.. public self-serve), until tested by 3C ICT Digital team, who are currently under-resourced. Currently working with 3C ICT to agree front end testing sprints timetable with Digital team and have offered some Yotta capital project budget enable them to recruit to provide additional capacity. Based on above, anticipate 'go live' for end to end digital service for the selected street cleansing core services by Sept, 2019, latest. Remaining street cleansing services will then be added by City (using staff trained by Yotta as part of contract) in accordance with phased programme (to be defined), as capacity allows. Phase 3 (Grounds Maintenance) will commence in September and is likely to 'go live' on same basis (i.e.. a targeted selection of core services) by March, 2020, at the latest – sooner, if 3C ICT can invest in necessary Digital Team capacity.
100263 - SC695	Waterbeach solar panels	Suzanne Hemingway	0	18	18	(0)	0	(0)	Project complete
Total Projects			736	977	325	(652)	627	(25)	

Total	1,927	3,042	1,865	(1,177)	960	(217)
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Changes between original and final budgets may be made to reflect:

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

and are detailed and approved:

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

Capital Budget 2018/19 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2018/19 £'000's	Final Budget 2018/19 £'000's	Outturn 2018/19 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2019/20 £'000's	Over / (Under) Spend £'000's	Variance Explanation
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100001 - PR010a	Environmental Improvements Programme - North Area	John Richards	50	140	52	(88)	88	0	Delivery of the annual rolling programme of Environmental Improvements has been challenging for some years, with various reviews of effectiveness and efficiency undertaken. A new programme, for the period 2019-21, was agreed by the Exec Cllr S&OS following Scrutiny on 21 March 2019. This will be funded through re-phasing of un-committed sums in 2019/20 (requested) plus a further capital allocation in 2020/21.
100002 - PR010b	Environmental Improvements Programme - South Area	John Richards	36	126	32	(94)	94	0	Delivery of the annual rolling programme of Environmental Improvements has been challenging for some years, with various reviews of effectiveness and efficiency undertaken. A new programme, for the period 2019-21, was agreed by the Exec Cllr S&OS following Scrutiny on 21 March 2019. This will be funded through re-phasing of un-committed sums in 2019/20 (requested) plus a further capital allocation in 2020/21.
100003 - PR010c	Environmental Improvements Programme - West/Central Area	John Richards	36	147	6	(141)	141	0	Delivery of the annual rolling programme of Environmental Improvements has been challenging for some years, with various reviews of effectiveness and efficiency undertaken. A new programme, for the period 2019-21, was agreed by the Exec Cllr S&OS following Scrutiny on 21 March 2019. This will be funded through re-phasing of un-committed sums in 2019/20 (requested) plus a further capital allocation in 2020/21.
100004 - PR010d	Environmental Improvements Programme - East Area	John Richards	48	169	39	(130)	130	0	Delivery of the annual rolling programme of Environmental Improvements has been challenging for some years, with various reviews of effectiveness and efficiency undertaken. A new programme, for the period 2019-21, was agreed by the Exec Cllr S&OS following Scrutiny on 21 March 2019. This will be funded through re-phasing of un-committed sums in 2019/20 (requested) plus a further capital allocation in 2020/21.
Total Programmes			170	582	129	(453)	453	0	

100006 - SC648	Local Centres Improvement Programme - Arbury Court	John Richards	141	138	148	10	0	10	Project is substantially complete but 12 month retention payment is due July 2019 for around £5k. The project will overspend but within permitted tolerance.
100018 - SC548	Southern Connections Public Art Commission (S106)	Alistair Wilson	21	17	4	(13)	13	0	The project is significantly behind its originally anticipated programme due to a number of factors out-of the Council's control and is being re-scoped to ensure it can be delivered within budget and with realistic resources
100028 - PR034d	Public Art - 150th and 400th Anniversary	Nadine Black	0	12	16	4	0	4	Project is complete
100033 - PR037	Local Centres Improvement Programme	John Richards	0	7	0	(7)	7	0	Initial programme feasibility budget to develop 3 centre programme. 2 projects (Cherry Hinton High St. and Arbury Ct.) now delivered. Further remaining identified aspiration to effect improvement at Mitcham's Corner informed by SPD, and led by Urban Design Team. Provisional target dates only. Re-phasing of remaining funds requested.
100035 - PR030h	Romsey 'town square' public realm improvements	John Richards	0	130	81	(49)	49	0	Project substantially completed but some further costs expected during 2019/20 - 12 month retention payment due Dec 2019 plus a decorative addition to the public realm work recognising local history requested by local Ward Councillors. Re-phasing of un-spent funds requested.
100036 - PR030e	Cavendish Rd (Mill Rd end) improvements: seating & paving	John Richards	0	13	26	13	0	13	Project substantially completed but some further costs expected to deal with remedial and additional works, and 12 month retention payment. This is the S106 funded element, there being additional contribution from 100004 EIP East.
100080 - PR040i	Public art grant - History Trails (S106)	Nadine Black	0	5	5	0	0	0	Project Complete

100086 - PR040o	Public art grant - 'The place where we stand'	Nadine Black	0	3	3	0	0	0	Project Complete
100088 - SC615	Cherry Hinton Grounds improvements Phase 2 (S106)	Alistair Wilson	0	160	111	(49)	49	0	The master plan for the project has been revised and extensive work to ensure that the final spend is aligned with the plan and the friends group which has taken longer than anticipated. The scheme is expected to be complete in December 2019.
100093 - PR042b	Mill Road cemetery access and main footpath	Alistair Wilson	0	175	133	(42)	20	(22)	Works complete. Small retention held. out-turn likely to be less than budget, expect some £15-20k re-phasing will be needed to close out project in 2019-20 (not £42k).
100104 - PR033m	Benches on Carisbrooke Road green and next to Coton footpath	Alistair Wilson	0	1	0	(1)	0	(1)	Complete Close
100105 - SC633	Reinforcing grass edges along paths across Parker's	Dugald Peebles	0	140	5	(135)	135	0	Tenderer selected and contract documents completed. Works programmed to start in June 2019.
100107 - PR033q	Additional play equipment, benches and landscaping at Christ	Alistair Wilson	0	1	0	(1)	0	(1)	Complete Close
100122 - PR032s	Footbridge across Hobson's Brook at Accordia development	Alistair Wilson	0	8	10	2	(2)	0	Tenderer selected. Detailed design completed. Planning to discharge conditions. The overspend in 2018-19 to be rephased and met by the £52k budget in 19-20
100123 - PR032q	Upgrade Nightingale Avenue play area (S106)	Alistair Wilson	0	24	27	3	0	3	There have been issues of coding of invoices between this and 100204 Nuns Way scheme. Both schemes are complete and in total there is an underspend of £24k
100147 - SC670	Lammas Land car parking infrastructure	Anthony French	30	27	0	(27)	27	0	Remaining budget to be spent in May/June working towards a July delivery.
100154 - SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	Glyn Theobald	0	58	12	(46)	46	0	The majority of the remaining budget is for landscaping of the land. This can only be done in the Autumn so there is a request for rephasing of the budget to 19/20.
100182 - PR040x	Public Art Grant for Oblique Arts	Nadine Black	0	3	3	0	0	0	Project Complete
100183 - PR040y	Public Art Grant - Rhyme, Rhythm & Railways	Nadine Black	0	5	5	0	0	0	Project Complete
100184 - PR040w	Public Art Grant for Menagerie Theatre Company	Nadine Black	4	11	10	(1)	0	(1)	Project complete
100185 - PR040v	Public art grant for Pink Festival Group	Nadine Black	0	7	8	1	0	1	Phase 1 of the project is complete
100187 - PR033s	Histon Rd Rec play area: paths, surfacing & landscaping	Alistair Wilson	0	12	11	(1)	1	0	Awaiting final payments. Project will be complete by 31/3/20
100188 - PR040s	Public art grant for Kettle's Yard - Antony Gormley	Nadine Black	0	10	5	(5)	5	0	Project complete and evaluation documents recently submitted. Final payment will be submitted in the near future.
100196 - SC661	Adaptions to Riverside Railings	Alistair Wilson	100	100	63	(37)	37	0	Detailed design completed and pontoons have been fabricated. Cam Conservators licences required before the start of site works.
100199 - PR040u	Public art grant for University of Cambridge Primary School	Nadine Black	10	15	15	0	0	0	Project complete
100203 - PR042g	To the River - artist in residence (S106)	Nadine Black	0	117	32	(85)	85	0	Concept design currently being developed. The approved budget of £117k was for two years spend. It is requested that the underspend is rephased to 19-20 to complete the project.
100204 - PR031s	Nun's Way Rec Ground - mini climbing dome (S106)	Alistair Wilson	0	27	0	(27)	0	(27)	There have been issues of coding of invoices between this and 100123 Nightingale Avenue scheme. Both schemes are complete and in total there is an underspend of £24k
100208 - PR040t	Public Art Grant for Cambridge Live - Colours	Nadine Black	0	8	5	(3)	3	0	Project complete and evaluation documents submitted. Final payments will be made in 19-20 and therefore a request to rephase the unspent budget is made.
100209 - SC675	Bateman Street tree replacement	John Richards	0	30	13	(17)	17	0	Project substantially completed Feb 2018, with value engineered saving against budget estimate. Because the value of the work was estimated to be above £15k, the project required Capital Programme Board approval. Funding for it was vired from 100002 (EIP - South) 2018/19, so the resultant saving should return to that cost centre. Re-phasing of un-spent sums requested.
100210 - PR032u	Tenby Close play area improvements (S106)	Alistair Wilson	0	50	55	5	0	5	Project complete, no further spend anticipated.
100211 - PR032v	Gunhild Close play area improvements (S106)	Alistair Wilson	0	50	55	5	0	5	Project complete, no further spend anticipated.
100212 - PR030o	Coldham's Lane play area improvements for older children	Alistair Wilson	0	80	88	8	0	8	Project complete, no further spend anticipated.
100213 - PR030q	Lichfield Rd play area improvements (S106)	Alistair Wilson	0	45	49	4	0	4	Project complete, no further spend anticipated.
100214 - PR030r	Brothers' Place landscaping & natural play improvements	Alistair Wilson	0	8	9	1	0	1	Project complete, no further spend anticipated.

100215 - PR032t	Fulbourn Road open space improvements (S106)	Alistair Wilson	0	10	0	(10)	10	0	The project for works undertaken alongside County Council Cycle path scheme is complete. County to invoice for £10k in 19-20 so a request to rephase the budget is made to cover this cost.
100216 - PR032w	Accordia open space improvements (S106)	Alistair Wilson	0	10	4	(6)	6	0	Planting complete but a rephase of the unspent budget is requested for the costs associated with the proposed Tree Trail
100217 - PR040z	Public art grant for Historyworks - Michael Rosen Walking	Nadine Black	0	15	5	(10)	0	(10)	Project completed
100218 - PR031q	Bramblefields nature reserve: improve biodiversity & access	Alistair Wilson	0	12	7	(5)	5	0	Habitat Creation Work is complete but a rephase of the unspent budget is requested to install interpretation signage.
100219 - PR033t	St Clement's churchyard open space on Bridge Street (S106)	Alistair Wilson	0	10	1	(9)	9	0	Project scope and composition to be reconsidered in the report to the Transport and Planning Scrutiny Committee in June 2019. A rephase of the unspent budget is requested
100223 - SC676	Refurbishment of Jesus Green Public Conveniences	Alistair Wilson	0	25	22	(3)	3	0	Project complete, no further spend anticipated.
100224 - PR032z	Trumpington Rec Ground trim trail and climbing frame (S106)	Alistair Wilson	0	70	58	(12)	12	0	The project is nearing completion but there are some final payments to be made. A request for rephasing the budget underspend to 19/20 is required
100226 - PR032y	Trumpington Rec Ground skate park (S106)	John Richards	0	80	2	(78)	78	0	Project has been designed, and consulted upon (with overwhelming support), with advice being sought on whether it requires planning submission. Re-phasing of un-spent funds requested. (awaiting decision after planning meeting with Lewis Tomlinson on 13.05)
100227 - PR031r	Chesterton Rec Ground skate and scooter park (S106)	John Richards	0	50	2	(48)	48	0	This project has been designed, and consulted upon - with views on two alternative locations canvassed. The feedback was mixed, with no overwhelming support. It is now being reviewed in the context of other planned improvements in the area. Re-phasing of monies un-spent requested.
100228 - PR042j	Public art grant - NIE Theatre, tales from the Edge of Town	Nadine Black	0	14	5	(9)	9	0	Project nearing completion and remaining invoices will be paid in 19-20
100229 - PR042h	Public art grant - Cambridge Junction: News News News	Nadine Black	0	15	10	(5)	5	0	Project nearing completion and remaining invoices will be paid in 19-20
100230 - PR042i	Public art grant - In your way festival: TAAT KHOR II	Nadine Black	0	15	15	0	0	0	Project complete
100231 - PR042k	Public art grant - Rowan Humberstone: Ecology sculpture	Nadine Black	0	15	0	(15)	15	0	The project is ongoing and it seems the completion date in this report is wrong, should say July 2019. The design work and consultation are complete and a planning application is currently live.
100232 - PR042m	Public art grant - Chesterton village sign (S106)	Nadine Black	0	10	0	(10)	10	0	Project is yet to be developed.
100233 - PR042n	Public art grant - HistoryWorks: Travellers and Outsiders	Nadine Black	0	15	0	(15)	15	0	Project is yet to be developed.
100234 - PR042l	Public art grant - Faith and Hope (S106)	Nadine Black	0	30	10	(20)	20	0	The approved budget of £30k was for two years spend. It is requested that the underspend is rephased to 19-20 to complete the project.
100236 - SC678	Crematorium - additional car park	Glyn Theobald	0	25	2	(23)	23	0	Initially a budget was allocated to 18/19 to cover consultants fees. This will now happen in 19/20 so a rephase of the budget to 19/20 is requested.
100237 - SC679	Crematorium - cafe facilities	Glyn Theobald	0	20	7	(13)	13	0	Initially a budget was allocated to 18/19 to cover consultants fees. This will now happen in 19/20 so a rephase of the budget to 19/20 is requested.
Total Projects			306	1,938	1,157	(781)	773	(8)	

Total	476	2,520	1,286	(1,234)	1,226	(8)
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General Fund Housing Portfolio / Housing Committee

Capital Budget 2018/19 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC597 - 100048 (38282)	Empty Homes Loans Fund	Y O'Donnell	200	200	0	(200)	200	0	This is a holding account which is recycleable where empty property home owners borrow the loan to bring the property into occupation and then and repay it back. There were no applications to borrow out of this fund in 2018/19.
100225 - SC692	Cromwell Road Redevelopment (GF)	Claire Flowers	17,166	17,166	17,166	0	0	0	Site acquired June 2018. Transferred to CIP March 19 for £27m loan note
Total Provisions			17,366	17,366	17,166	(200)	200	0	
Total for Housing			17,366	17,366	17,166	(200)	200	0	

Capital Budget 2018/19 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2018/19 £'000's	Final Budget 2018/19 £'000's	Outturn 2018/19 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2019/20 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100050 - PR039	Minor Highway Improvement Programme	John Richards	30	85	10	(75)	40	(35)	This is a joint funded programme with the County Council (who lead the identification and delivery of most schemes) – some projects have proven impractical and others have cost less than anticipated. County are again running a programme for 2019-20 and part of the saving is requested to be rephased to meet the city council contribution to the programme.
Total Programmes			30	85	10	(75)	40	(35)	
100025 - SC571	Procurement of IT System to Manage Community Infrastructure	Sharon Brown	0	20	0	(20)	20	0	Money was not spent in 18/19 due to slippage in the programme of work. This slipped due to the work required being more detailed than anticipated. The funds should be rolled forward into 19/20 as the work, and therefore the need for the IT system spend, continues.
100032 - SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne	Sean Cleary	15	208	15	(193)	193	0	Queen Anne Terrace holding repair programme has been extended by a further 4 years. Roll over of remaining capital funding for this project is requested.
100069 - PR030j	The Mill Road Railway Legacy (S106)	Alistair Wilson	0	21	21	0	0	0	Completed. Linked to Mill Road Winter Fair
100074 - SC611	Grafton East car park essential roof repair	Sean Cleary	0	37	4	(33)	33	0	The project has extended beyond March 2019 due to the requirement for additional works and rephasing of the underspent budget will support these.
100112 - SC645	Electric vehicle charging points	Jo Dicks	170	376	137	(239)	239	0	There have been various delays to phase 1 resulting in the project being behind the predicted timescale by 6 to 9 months. Phase 2 will be worked on this and next year. The Project Board is being kept informed of progress. It is requested that the unspent budget of £239k is rephased to 2019/20.
100120 - SC623	Environment and cycling improvements in Water Street and	Alistair Wilson	0	35	0	(35)	0	(35)	The project was completed two years ago. The budget was rephased as it was anticipated that a contribution to County Council was to be requested. This has not happened and is unlikely to do so.
100150 - SC634	Grand Arcade and Queen Anne Terrace car parks sprinkler	Sean Cleary	0	382	309	(73)	8	(65)	Project is complete however, there is a retention fee to be paid in Sept 2019. An underspend of £65k can be returned.
100151 - SC635	Grand Arcade car park deck coating and drainage	Sean Cleary	0	117	40	(77)	0	(77)	Project is complete and the underspend of £77k can be returned.
100160 - PV532	Cambridge City 20mph Zones Project	John Richards	0	0	4	4	0	4	Project substantially completed in 2017 but the project is still requiring officer input to deal with significant remedial works issues. There is a dispute with contractor over the additional withheld retention sum, pending satisfactory resolution of the works. Further anticipated costs are expected during 2019/20 circa £15k. This would still keep within the originally allocated £600k budget as savings were offered in previous years. Project substantially completed but defective/ remedial works issues and final account still to resolve.
100197 - SC662	Shared Planning Service software and implementation	Stephen Kelly	0	90	31	(59)	59	0	Money was not spent in 18/19 due to slippage in the programme of work. This slipped due to the work required being more detailed than anticipated. The funds should be rolled forward into 19/20 as the work, and therefore the need for the software spend, continues.
Total Projects			185	1,286	561	(725)	552	(173)	
100019 - PV549	City Centre Cycle Parking	John Richards	0	23	21	(2)	2	0	Project substantially completed but some additional spend is anticipated in 2019/20 to deal with technical issues arising and retention. Re-phasing of remaining unspent budget is requested.
100156 - PV007	Cycleways	John Richards	50	408	11	(397)	397	0	Majority of budget has been committed towards comprehensive improvements at Maids Causeway, the Four Lamps roundabout and Snakey Path. Progress on these is being made but falls short of initial expectations. Re-phasing of funding thus far un-spent is requested.
100158 - PV018	Bus Shelters	John Richards	0	5	1	(4)	4	0	Latest phase of programme substantially completed but some final works will be completed during 2019-20. Re-phasing of un-spent monies is requested.
Total Provisions			50	436	33	(403)	403	0	
Total			265	1,807	604	(1,203)	995	(208)	

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Capital Budget 2018/19 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2018/19 £'000's	Final Budget 2018/19 £'000's	Outturn 2018/19 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2019/20 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100139 - PR050	Office Accommodation Strategy Phase 2 (OAS)	Dave Prinsep	473	473	0	(473)	473	0	Some aspects of Phase II of the OAS have not been completed pending further review being undertaken.
100141 - PR038	Investment in commercial property portfolio	Dave Prinsep	0	2,427	1,231	(1,196)	1,196	0	2 acquisitions completed in the 2018/19 financial year. Budget of £1.196 million to be carried forward to the 2019/20 financial year for remaining acquisition(s), yet to be identified.
100155 - PR051	Building works at the Guildhall to reduce carbon emissions	Will Barfield	0	437	209	(228)	228	0	Works is still going on site and is due to be completed at the end of May 19. A rephase of unspent budget is requested.
Total Programmes			473	3,337	1,440	(1,897)	1,897	0	
100067 - SC604	Replacement Financial Management System	Caroline Ryba	0	50	9	(41)	0	(41)	This project is now complete.
100068 - SC605	Replacement Building Access Control System	Will Barfield	0	33	25	(8)	8	0	Work largely completed with small underspend, there is some additional work to do to upgrade battery back up in event of power failure which was identified following recent power failures at Mandela house
100109 - SC627	Guildhall Large Hall Windows refurbishment	Andrew Muggeridge	101	101	0	(101)	101	0	This project is currently in the design stage and is due to be tendered at end of May 2019. Work to be completed by October 2019
100117 - SC621	20 Newmarket Road - commercial property	Dave Prinsep	0	3	2	(1)	0	(1)	Scheme completed.
100142 - PR050a	Relocation of services to 130 Cowley Road (OAS)	Will Barfield	0	374	354	(20)	20	0	A rephase of the underspent budget is requested as there will be retention to pay in 19/20
100143 - PR050b	Mandela House refurbishment (OAS)	Will Barfield	0	869	1,037	168	0	168	Overspend as result of additional works on site and additional furnishings and is within the permitted percentage over the whole of the project. Further retention to be released in June 2019.
100145 - PR050e	Cowley Road Compound ex-Park and Ride site (OAS)	Will Barfield	0	428	401	(27)	27	0	Retention payment still to be paid and final account to be agreed. There may be additional work required to the waste bays - estimated cost £30k
100146 - PR050d	Mobile working (OAS)	Dave Prinsep	0	99	47	(52)	52	0	Completion of the remaining mobile working aspects of Phase II of the Office Accommodation Strategy is outstanding and a rephase of budget is requested.
100149 - SC639	Re-roofing the Guildhall	Will Barfield	0	164	0	(164)	164	0	Work is still taking place on site and is due to be completed at the end of May 19. Carry forward of the underspend to 19/20 is requested.
100170 - SC601	Replacement Telecommunications & Local Area Network	Tony Allen	0	34	13	(21)	21	0	The core implementation is finished but there is a small element of the final milestone left over once Unify had made the system stable therefore a rephase of remaining budget is requested.
100190 - SC655	Resealing the roof at Robert Davies Court	Andrew Muggeridge	177	177	0	(177)	177	0	The project is on hold - carry forward underspend
100191 - SC656	Barnwell Business Park remedial works to the roofs	Andrew Muggeridge	90	90	0	(90)	90	0	The project is currently in the design stage and is due to be tendered by end of May 2019. Work to be completed by end August 2019.
100194 - SC659	My Cambridge City online customer portal	Andrew Limb	160	160	82	(78)	78	0	This project is currently being delivered and a carry forward is requested to rephase the unused budget into 19/20 to enable the completion of the scheme. Project end date should be 31st March 2020.
100195 - SC660	Council Anywhere - desktop transformation	Fiona Bryant	400	400	282	(118)	118	0	ICT are confident that their resource of workstream plans are a realistic reflection of what has been agreed. A rephase of the budget is required to enable completion of the project.
100201 - PR050f	Guildhall Welfare Improvements (OAS)	Will Barfield	174	209	20	(189)	189	0	Work is currently being designed and is planned to be tendered in summer 2019 and start on site late summer 2019. A rephase of the underspent budget is requested
100202 - PR050g	Office optimisation (OAS)	Will Barfield	275	275	0	(275)	275	0	The project is on hold - carry forward underspend

100205 - SC672	Mill Road Redevelopment - Development Loan to CIP	Caroline Ryba	1,550	1,499	0	(1,499)	1,499	0	At this stage CIP has not requested drawdown of this loan as sufficient cash is available within CIP to fund development to date.
100206 - SC674	Mill Road Redevelopment - Equity Loan to CIP	Caroline Ryba	1,250	1,491	0	(1,491)	1,491	0	At this stage CIP has not requested drawdown of this loan as sufficient cash is available within CIP to fund development to date.
100260 - SC695	Cromwell Road Redevelopment - equity loan to CIP	Caroline Ryba	0	1,113	0	(1,113)	1,113	0	At this stage CIP has not requested drawdown of this loan as sufficient cash is available within CIP to fund development to date.
Total Projects			4,177	7,569	2,272	(5,297)	5,423	126	

100020 - PV554	Development Of land at Clay Farm	Dave Prinsep	212	537	240	(297)	297	0	A contractual agreement is in place whereby we contribute 7% of the net costs incurred in respect of the Collaboration Agreement with Countryside Properties. Rate of invoices from Countryside Properties relate directly to rate of house-building which is variable and beyond our control. Forecast end date for the scheme is currently December 2024. Budget of £297,000 to be carried forward to the 2019/20 financial year.
100030 - PV583	Clay Farm Commercial Property Construction Costs	Dave Prinsep	0	67	8	(59)	20	(39)	Construction work completed. Request for budget of £20k to be carried forward to the 2019/20 financial year to undertake various enabling works to facilitate tenants' fit out.
100164 - PV192	Development Land on the North Side of Kings Hedges Road	Philip Doggett	0	2	3	1	(1)	0	This is a capital provision whereby we contribute an average of 7.56% of the Arbury Park Development collaboration agreement costs. Future years budget provision to be reduced by £1k.
100290 - PV682	Local investment bond	Caroline Ryba	0	5,000	2,200	(2,800)	2,800	0	A rephase of the unspent budget is requested in order that a further loan is made to the FBCC when they have plans in place to extend their building. Discussion meetings have taken place and a planning application is expected to be made later in the summer.
Total Provisions			212	5,606	2,451	(3,155)	3,116	(39)	

Total	4,862	16,512	6,163	(10,349)	10,436	87
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Capital Budget 2018/19 - Outturn

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100095 - PR052	RE:FIT 3 Energy performance improvement	Will Barfield	5,760	294	0	(294)	294	0	The work is progressing on the scheme but no invoices were received in 18/19. This work will be completed in 19/20.
Total Programmes			5,760	294	0	(294)	294	0	
100077 - SC614	Redeployable CCTV camera stock	Joel Carre	0	13	13	0	0	0	£13k utilized for project 100193 CCTV infrastructure
100193 - SC658	Cambridge City CCTV infrastructure	Joel Carre	521	601	488	(113)	113	0	Slippage in programme due to time taken to negotiate and implement health and safety works to Grand Arcade rooftop network node site; and negotiating consents with third party network node sites, including DWP and Microsoft office rooftops. A rephase of the remaining budget is requested.
100238 - SC680	CCTV equipment upgrade	Joel Carre	0	30	0	(30)	30	0	Project under way with three of the six devices upgraded; and work started on remaining three
Total Projects			521	644	501	(143)	143	0	
Total			6,281	938	501	(437)	437	0	

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2018/19 Housing Capital Investment Plan - HRA & General Fund Housing

[illegible]

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	Overspending of £27,000 in respect of Disabled Facilities Grants was a combination of an agreement with MHCLG to receive additional grant in the latter part of the year, but to pass it across to Huntingdonshire District Council as we did not have sufficient demand in Cambridge. £86,000 of overspend is therefore related to this, leaving an underspend in our own DFG grant investment of £59,000, which, when grossed up for the income received from clients, will be require £72,000 to be re-phased into 2019/20 to ensure that we can comply with the grant conditions under which we received it. The overspend in DFG's has been more than offset by underspending in Private Sector Grants and Loans of £91,000, where demand has significantly reduced in recent years.
2	A net underspend of £2,089,000 in decent homes expenditure during 2018/19 is a combination of under and overspending against the specific decent homes elements. Overspending in wall structure (£448,000), bathrooms (£90,000) and kitchens (£12,000), is more than offset by underspending in roofing works (£208,000), roof structure (£378,000), re-wiring (£171,000), energy and insulation works (£250,000), central heating (£945,000), sulphate (£102,000), other health and safety (£219,000), decent homes work to new builds (£226,000), HHSRS (£129,000) and external doors (£36,000). These variances are before accounting for leaseholder income, which is reported separately. Contractor overheads shows an apparent overspend of £70,000 against decent homes works, but is more than offset by an underspend in overheads against other HRA works of £226,000. Capitalised officer fees are underspent by £45,000. Re-phasing of underspending in 2018/19 into 2019/20 is requested in respect of energy improvements (£250,000), roofing works (£208,000), roof structure (£98,000), HHSRS (£129,000), other health and safety works (£219,000) and external doors (£36,000) Re-phasing of the budget for sulphate works is requested to be re-allocated to 2027/28 to the end of the existing sulphate programme, whilst re-phasing to the end of the 30 year investment programme is requested in respect of decent homes works to new build homes (£226,000), central heating and boilers (£750,000) and re-wiring (£171,000), when the budget is now expected to be required.
3	A net underspend of £1,307,000 was evident in 2018/19, combining underspending in a number of areas where work is still required and all of the underspent funds will need to be re-phased into 2019/20, including; garage improvement £95,000, lifts £13,000, communal area floor coverings £195,000, fire works £227,000 and hard-surfacing works £283,000. Underspending of £266,000 in respect of contractor overheads combines some slippage with the impact of underspending in other areas and £196,000 is requested to be re-phased. Underspending in Disabled Adaptations (£232,000), asbestos works (£4,000) and capitalised officer fees (£17,000) do not require re-phasing. Overspending in other communal area works of £24,000 was reported at year end.
4	The net underspend of £1,366,000 in the new build programme in 2018/19 relates to a delays in a number of areas of the programme, but particularly in respect of re-development schemes where decisions have been delayed and vacant possession needs to be obtained and those schemes being delivered in-house by Maintenance and Assets, where there have been planning delays and boundary disputes that need to be resolved. Spending ahead of profile has also occurred in respect of a few schemes and costs have also been incurred in respect of schemes that are complete and occupied, but where there are now some quality issues that are being addressed. Net re-phasing of £1,466,000 is required. Re-phasing of budget for 2015/16 Garage Sites (£63,000) Anstey Way (£213,000), Akeman Street (£20,000), Ventress Close (£2,000), Mill Road (£22,000), Kingsway (£182,000), Kendal Way (£34,000), Colville Road (£572,000) and unallocated budget ear-marked for the delayed Campkin Road scheme (£572,000), is partially offset by negative re-phasing where spend is ahead of profile for Queensmeadow (£50,000), Wulfstan Way (£13,000), Colville Garages (£16,000), Gunhild Way (£32,000), Cromwell Road (£73,000), Meadows and Buchan (£18,000), Tedder Way (£2,000) and Markham Close (£53,000). The profile of spending on all of these schemes will be reviewed again as part of the HRA Medium Term Financial Strategy.
5	Under delegated authority, the Strategic Director approved a budget for the acquisition of homes on the open market for use within the HRA to enable utilisation of retained right to buy receipts in a timely manner. In 2018/19 the budget carried forward from 2017/18 to complete the refurbishment works to Tuscan Court which was fully utilised, but final works came in at £28,000 more than anticipated. One property was acquired as a market acquisition from the County Council, and is now being let as affordable housing.

6	Spending in respect of the refurbishment of Ditchburn Place has progressed well during 2018/19, with the need to re-phase only £21,000 into 2019/20. The final phase of the re-development, to include the creation of two new units in the day centre, is expected to be complete by September 2019.
7	A net underspend of £629,000 in this area of the programme comprises no activity in respect of shared ownership re-purchase in 2018/19, giving rise to a £300,000 underspend, and underspending due to delays in the project to finalise the re-location of Stores to Cowley Road (£55,000) and the need to recognise the longer timeframe required to implement the new Housing Management Information System (£243,000), with both underspends requiring re-phasing into 2019/20. The balance of funding for the project to procure and Estate Services van (£1,000) will not now be required, nor will funding for works to HRA commercial premises (£29,000).
8	The allowance in the programme for inflation to costs was not required to be allocated across expenditure heads in 2018/19 as underspending across the decent homes, other investment in the housing stock and new build budgets meant that the additional funding was not required. It is proposed that this budget is re-phased into 2019/20 to ensure that sufficient budget is available in year to meet the costs of any deferred work, particularly in the new build area, where CIP costs under new affordable housing agreements are still to be finalised following procurement by Hill Investment Partnership on a scheme specific basis. A major review of the investment in or existing housing stock may also necessitate additional resource in 2019/20 to ensure that work can be delivered as planned.
9	27 properties were sold in total during 2018/19, far fewer than in the previous year. £334,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £735,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £3,526,000 of right to buy receipts have been retained by the local authority in 2018/19, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame. The authority is again required to invest a significant sum during 2019/20 to ensure that it meets its responsibilities under the retention agreement, and this may mean the acquisition of further dwellings on the open market, if new build schemes do not progress as anticipated, to avoid passing the receipts to central government. With the number of schemes on site, or due to go on site, it is anticipated that market acquisitions can be avoided in 2019/20.
10	Capital receipts totalling £521,000 in respect of the sale of land and property on the open market were accounted for in 2018/19. The receipts have been, or will be used to fund future investment in affordable housing.
11	The major repairs reserve was used to finance capital expenditure in the housing stock in 2018/19, including investment in decent homes work, other investment in the housing stock and investment in new homes, particularly where an element of re-provision is required. Where less of this funding was utilised in 2018/19 than anticipated, it will instead be utilised in 2019/20.
12	Income was recovered from leaseholders in 2018/19 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£57,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£27,000).
13	The use of revenue funding for capital purposes was more than anticipated, due entirely to the planned use the repairs and renewals (R&R) ear-marked reserve for IT to fund the costs of the Housing Management Information System Project. The use of this reserve is displayed as a revenue funding towards capital expenditure, but with the reserve held specifically for this purpose.
14	Receipts from the sale and re-sale of shared ownership dwellings in 2018/19 were lower than estimated by £456,000, with 10 sales at Virido out of 26 units available for sale and no re-circulation of existing shared ownership at all. The Disabled Facilities Grant was higher than expected due to the award of £86,000 of additional grant which was passed on to Huntingdonshire District Council. Grant of £312,000 was received from Homes England in respect of Ditchburn Place and private sector loan repayments of £15,000 were realised. The Devolution Grant claimed in 2018/19 was marginally less than anticipated, and the additional £135,000 will instead be claimed in 2019/20. The use of £72,000 of the DFG grant will also need to be re-phased into 2019/20 to ensure that grant can be invested appropriately (see note 1).