



Cambridge City Council

Strategy and Resources Scrutiny Committee

Date: Monday, 1 July 2019

Time: 5.00 pm

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

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

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes (Pages 5 - 38)
- 4 Public Questions

Decisions for the Executive Councillor for Strategy and External Partnerships

- 5 Annual Report 2018/19 on the Corporate Plan (Pages 39 - 78)
- 6 Combined Authority Update (Pages 79 - 100)

Appendix C to follow.

- 7 2018/19 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances - S&EP (Pages 101 - 112)

Decisions for the Executive Councillor for Finance and Resources

- 8 3Cs Shared Service annual reports - ICT, Legal and Internal Audit (Pages 113 - 130)
- 9 Review of Council Tax Reduction Scheme and Discounts (Pages 131 - 142)
- 10 Annual Treasury Management (Outturn) Report 2018/19 (Pages 143 - 162)
- 11 Building Cleaning Contract Procurement (Pages 163 - 172)

12	Insurance Services Contract	(Pages 173 - 178)
13	2018/19 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances - Finance and Resources	(Pages 179 - 192)
14	2018/19 General Fund (Overview) Revenue and Capital Outturn, Carry Forwards and Significant Variances	(Pages 193 - 234)
15	Property Review	(Pages 235 - 288)

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

Strategy and Resources Scrutiny Committee Members: Davey (Chair), Todd-Jones (Vice-Chair), Bick, Dalzell and Green

Alternates: Cantrill, Davies and O'Reilly

Executive Councillors: Herbert (Executive Councillor for Strategy and External Partnerships) and Robertson (Executive Councillor for Finance and Resources)

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE 11 February 2019
5.00 - 8.55 pm

Present: Councillors Barnett (Chair), Baigent (Vice-Chair), Bick, Dalzell, Green and Sargeant

Executive Councillors: Herbert (Executive Councillor for Strategy and External Partnerships) and Robertson (Executive Councillor for Finance and Resources)

Other Councillors present:

Executive Councillors: Blencowe, Johnson, Moore and Thornburrow
Opposition Spokes: Cantrill, Martinelli, McGerty, O'Connell,

Officers:

Chief Executive: Antoinette Jackson
Director of Planning and Economic Development: Stephen Kelly
Strategic Director: Fiona Bryant
Strategic Director: Suzanne McBride
Head of Corporate Strategy: Andrew Limb
Head of Finance: Caroline Ryba
Head of Property Services: Dave Prinsep
Committee Manager: Sarah Steed

FOR THE INFORMATION OF THE COUNCIL**19/1/SR Apologies for Absence**

Councillor Smith provided apologies for items 19/11/SR and 19/12/SR.

19/2/SR Declarations of Interest

Member	Item	Interest
Councillor Green	19/71/SR	DPI: Recipient of small business rate relief. Left the room and did not take part in debate or vote.
Councillor Thornburrow	19/71/SR	DPI: Recipient of small business rate

		relief. Left the room and did not take part in debate or vote.
Councillor Barnett	19/70/SR	Personal: Worked at Addenbrooks.

19/3/SR Minutes

The minutes of the meeting held on 8 October 2018 were agreed and signed as a correct record.

19/4/SR Public Questions

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

- i. He had lived in Cambridge for 36 years but would not be living in Cambridge within the next 5 years as he was looking to downsize.
- ii. Referred to resident's forums which had been set up by the council, following objections to the Accordia Development he commented that these were successful.
- iii. He was a founding member of 'The Federation of Cambridge Resident's Association' (FECRA) and had sat on the Resident's Association for 5 years.
- iv. There was a history of councillors, officers and residents working together. He asked whether any changes to the planning process would be subject to a consultation exercise and be subject to approval by city councilors. He also asked whether there were any changes to call-in rights.

The Joint Director Planning and Economic Development responded:

- i. There were no significant changes proposed to the call-in procedure and it would be a matter for Planning Committee to make a decision on this issue. He wanted residents and members of the public to be able to make better use of more advanced technologies.

Councillor Blencowe confirmed that there was no intention to change a Ward Councillor's ability to be able to call in a planning application.

19/5/SR To Note Record of Urgent Decision Taken by the Executive Councillor for Finance and Resources

19/6/SR Freehold Transfer of 11A Thorpe Way Cambridge

The decision was noted.

19/7/SR Lion Yard Investment**Matter for Decision**

The Officer's report set out a proposal in relation to the Lion Yard Investment

Decision of Executive Councillor for Finance and Resources

- i. Approved Officer's recommendation

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Scrutiny Committee resolved (by 2 votes to 0) to exclude members of the public from the meeting on the grounds that, if they were present, there would be disclosure to them of information defined as exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

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

No conflicts of interest were declared by the Executive Councillor.

19/8/SR Cambridge City Housing Company - Review of Pilot Phase**Matter for Decision**

The report presented the review of the pilot phase of the Cambridge City Housing Company Limited (CCHC) and considered whether the pilot phase should continue, the company should be moved into business as usual, or if it should be closed.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Approved that CCHC moved from its pilot phase into business as usual.
- ii. Confirmed the Council's financial support for the company, subject to ongoing review by the S151 officer.

- iii. Agreed that the Council refinanced the existing loan to the company for three years at 2.02%.
- iv. Supported the company directors' recommendation that, in view of the possible market impact of Brexit, any decision on further investment was delayed until at least the final quarter of 2019/20, or until the local property market had stabilised.
- v. Agreed that a third director be appointed to the company

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

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

- i. It was proposed to keep the loan rate to the CCHC despite the Bank of England confirming that it would retain current interest rates and they would not be increasing their interest rate. The loan rate would provide additional interest to the council but it would not be a significant amount.
- ii. The CCHC was not advised to buy any additional properties at the moment given the economic uncertainty with Brexit. If properties were bought and there was a downturn in the housing market this could bring the company to a negative equity position.
- iii. The Cromwell Road development had other objectives and priorities.

Councillor Herbert confirmed that there was a commitment to continue the CCHC. The company had an obligation to operate without losing money. A range of options was contained within the confidential appendix and based on current overheads the company could continue to operate. There were significant development options due to come forward in the next couple of years.

The Committee resolved:

- unanimously to endorse recommendation 2.1
- unanimously to endorse recommendation 2.2
- by 4 votes to 0 to endorse recommendation 2.3
- by 4 votes to 0 to endorse recommendation 2.4
- unanimously to endorse recommendation 2.5

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

19/9/SR Capital Strategy

Matter for Decision

The report outlined the capital strategy of the Council together with a summary capital programme for the General Fund (GF) and the Housing Revenue Account (HRA). The previous capital strategy was approved by Council on 22 February 2018 and the report update focused on providing a framework for delivery of the capital expenditure plans over a 10 – 30 year period.

Decision of Executive Councillor for Finance and Resources

- i. Approved the capital strategy as set out in this report.
- ii. Noted the summary Capital programme.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

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

- i. She would consider whether the BSR could include details about the income that the council received from investments.
- ii. Investment in the Cambridge City Housing Company would be seen as a treasury management issue and would therefore be included within the Treasury Management report.
- iii. She thought the new key issue suggested of 'strategic importance on the shape of the city' was partially covered by the first bullet point contained on page 25 of the second circulation agenda.

Councillor Robertson agreed it would be useful if reports on investments followed the framework for 'key issues in investments' contained on p25 of the second circulation agenda.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

19/10/SR Treasury Management Strategy Statement Report 2019/20 to 2022/23

Matter for Decision

The Council is required to receive and approve as a minimum three main treasury management reports each year, which incorporates a variety of policies, estimates and actuals.

The Treasury Management and Investment Strategy incorporates prudential and treasury indicators which cover:

- Capital plans (including prudential indicators)
- A Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
- The Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and
- An investment strategy (the parameters on how investments are to be managed)

A mid-year treasury management report is produced to update Members on the progress of the capital position, amending prudential indicators as necessary and advise if any policies require revision.

The Outturn or Annual Report compares actual performance to the estimates in the Strategy.

The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital

Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA
- The Treasury Management Code prepared by CIPFA
- The Statutory Guidance on Local Authority Investments prepared by Ministry of Housing, Communities and Local Government (MHCLG)
- The Statutory Guidance on Minimum Revenue Provision prepared by MHCLG

CIPFA have published a revised Prudential Code (2017 edition) with accompanying Guidance Notes for Practitioners (2018 edition) and the Treasury Management Code (2017 edition).

The MHCLG have also published a revised Investment Guidance and Minimum Revenue Provision Guidance (both commenced on 1st April 2018). This report therefore reflects the new requirements particularly to expand the Investment Strategy to non-financial assets such as investments in property.

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

- i. Approve the estimated Prudential & Treasury Indicators for 2019/20 to 2021/22, inclusive, as set out in Appendix C to the officers report;
- ii. Increase the Money Market Fund (MMF) limit to £15 million per fund, with no maximum limit overall;
- iii. Use Enhanced Money Market Funds (EMMFs) with a credit rating not lower than AAF, as assessed by any one of the credit rating agencies, with an initial counterparty limit of £5m per fund; and;
- iv. Increase the Council's Authorised Borrowing Limit (external borrowing) to £300 million.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

The Executive Councillor confirmed that £2.2 million had been lent to Allia Limited; this was not contained within the documentation as it post-dated the publication of the report.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

19/11/SR General Fund Budget Setting Report 2019/20

Matter for Decision

The Budget-Setting Report (BSR) included the detailed revenue bids and savings and capital proposals and sets out the key parameters for the detailed recommendations and budget finalisation being considered at this meeting. The report reflects recommendations that will be made to The Executive on 11 February 2019 and then to Council, for consideration at its meeting on 21 February 2019.

Decision of Executive Councillor for Finance and Resources

To recommend to the Executive to:

- i. Approve Revenue Pressures shown in Appendix C (a) and Savings shown in Appendix C (b).
- ii. Agree there are no bids to be funded from External or Earmarked Funds (which would be included as Appendix C (c)).
- iii. Approve Non-Cash Limit items as shown in Appendix C (d).

To recommend to Council to

- i. Approve delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which will be set out in Appendix A (a).
- ii. Approve the level of Council Tax for 2019/20 as set out in Appendix A (b) (*to follow for Council*) and Section 4 [page 27 refers].

Noted that the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority and Cambridgeshire County Council have issued precepts to the City Council for the year 2019/20.

- iii. Approve delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- iv. Approve an additional contribution of £250k to the Cambridge Live Development Plan Earmarked Reserve to include transition funding, proposal NCL4325.
- v. Approve the proposals outlined in Appendix E (a) for inclusion in the Capital Plan, including any additional use of revenue resources required. Report page no. 3 Agenda page no.
- vi. Approve the revised Capital Plan for the General Fund as set out in Appendix E (d), the Funding as set out in Section 7, page 39.
- vii. Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 8, page 45 refers].

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance which was verbally updated at the meeting to correct an error relating to the Legal Practice item (reference S4247 p141 of the second circulation agenda).

Members of the Executive and Spokes Councillors who did not ordinarily attend the Strategy and Resources Scrutiny Committee joined the Committee for discussion on the budget.

C4156 Cherry Hinton Library

In response to Members' questions the Head of Finance confirmed:

- i. It was not unusual for capital bids to be funded in a variety of ways or to utilise funding from third parties (for example a school could use s106 contributions to develop sports facilities). If the British Legion pulled out of the project then the council would need to make some provision to comply with accounting practices.

In response to Councillor's questions, Councillor Robertson commented:

- i. That some schemes utilised funding from third parties for example through lottery bids.

C4180 Vehicle Fleet

In response to Members' questions the Strategic Director (SH) confirmed:

- i. She would check to see whether there was similar grant funding available for smaller electric vehicles as there was for larger vehicles.
- ii. A fleet review would be undertaken in the coming year; it was difficult to provide comparisons between vehicles.

In response to Councillor's questions, Councillor Moore commented:

- i. That this issue was not simply about costs; but a lot of the vehicles were very big and the council needed to be sure that the new electric vehicle technology would function in the way the council required.

I14191 Environmental Health service fees and charges

In response to Members' questions the Strategic Director (SH) confirmed:

- i. That existing fees and charges would be increased by inflation; new fees were not being introduced.
- ii. She apologised for inconsistencies between the BSR and the background briefing note to the BSR.

In response to Councillor's questions, Councillor Moore confirmed:

- i. That mentoring visits referred to in I14191 were primarily training sessions for food operators.

URP4222 MRF cost – reduction income and increase costs (with current contract and market) under Amey contract

In response to Members' questions the Strategic Director (SH) confirmed:

- i. That there was an officer dedicated to dealing with recycling. Work was undertaken with households who regularly had contaminated recycling.

In response to Councillor's questions, Councillor Moore commented:

- i. That the council could not focus on everything all year round. Recently there had been a campaign which focussed on increasing the recycling rate of metals. The council was also monitoring the contract with Amey Cespa more effectively. The current project would focus on contaminated recycling.

B4219 Volunteer Groups – Continue with Officer support with recycling and cleansing groups in City and South Cambs

In response to Members' questions the Strategic Director (SH) confirmed:

- i. That the post referred to in proposal B4219 was a different post to the officer referred to in proposal URP4222.

B4187 Increase Procurement Team Resources from 2.5FTE to 3FTE.

In response to Members' questions the Strategic Director (FB) commented:

- i. That the additional procurement officer resource would assist internal departments when they were undertaking procurement exercises and would also mean that the council would have more resources devoted to monitoring the delivery of contracts.

URP4240 Eastnet – Forced Procurement Replacement of Virgin Media CPSN

In response to Members' questions the Strategic Director (FB) commented:

- i. That this was a shared services agreement with other authorities so the council had less control over the contract but the provisions in the contract were tighter than the existing contract. It would cost the Council a lot more if we undertook this procurement on our own.

NCL4325 Additional Contribution to Cambridge Live Development Plan Earmarked Reserve to include transition funding.

In response to Members' questions the Strategic Director (SH) confirmed:

- i. That the service would be in-house from the 1 April 2019. Full details of the transfer were still being worked on but the service would report into the Community Services Section and it would be incorporated into the financial management system; it would need tight cost controls.

In response to Members' questions the Head of Finance commented:

- i. That there were no proposals to change back office costs and that these would be drawn from existing resources. Re-allocation of overheads would be re-charged in the same way other services are charged within the Council.

S4169 Deletion of 18.5 hours of the Grants Officer

In response to Members' questions the Strategic Director (SH) commented:

- i. That the workload of the officer had reduced and they had been undertaking other tasks so the hours of the post allocated to grants work had been reduced to reflect this.

S4174 Deletion of 7 hours of the Housing Strategy Manager post

In response to Members' questions the Strategic Director (SH) commented:

- i. That the post holder had been undertaking their role working 30 hours per week for a long time and there was no impact on their job. Reallocation of funding had not been considered.

KI4213 Reduction in income due to review of Shopmobility charges

In response to Councillor's questions, Councillor Blencowe confirmed:

- i. That charges would be removed and a free service would be available from 1 April 2019.

S4301 Planning Service – new and revised service delivery

In response to Councillor's questions, Councillor Blencowe commented that:

- i. City Councillors would continue to have the right to call in planning applications to Planning Committee.
- ii. Residents would still have the right to approach their Ward Councillors regarding planning applications.
- iii. Planning Committee would make the decision on any changes to the planning process.
- iv. There were a number of applications that came to Planning Committee that only had 1 objection. A S73 application with a slight variation would automatically go to Planning Committee and if there was no new information brought to the case officer this was an example of a decision that could be delegated to an Officer.
- v. The Chair of South Cambridgeshire District Council (SCDC) Planning Committee approved whether applications which had been called in went to the SCDC Planning Committee for decision.

In response to Members' questions the Joint Director of Planning and Economic Development commented:

- i. That there were 107 Planning Committee decisions last year and 91% of decisions were delegated to Officers. There was a significant cost associated with every decision made at Planning Committee.
- ii. A Planning Committee decision cost £1400 compared to £284 for a delegated decision. He provided examples of other council and the

- percentage of officer delegated decisions: Cheltenham had 91%, Harrogate 96%, Oxford 94% and Bath was 97%.
- iii. There had been an investment of £200,000 in IT which would allow faster use of planning software. The practice was to notify neighbours by letter which was made clear in the Statement of Community Involvement, however there was no policy beyond that and legislation only required a site notice to be displayed.
 - iv. An application at Darwin Green had 200 notification letters sent out and no responses were received. The Cavendish application had 500 notification letters and 7 responses were received. He was trying to work towards a more sustainable notification process. The software would enable individuals to sign up to receive notifications when an application had been received and was going to Planning Committee for decision.
 - v. Some landowners had indicated that this would be useful as tenants did not always pass on information that had been sent to a property through the post.
 - vi. There would be a review process so that officer and committee time was being used effectively. A number of applications had gone back to committee when there was an objection that the committee had already considered.
 - vii. There was a proposal to consult on whether there should be charges for pre-application advice.

In response to Councillor's questions, Councillor Herbert commented:

- i. That the centralised Planning Committee worked well and decisions taken at Area Committees varied when they had dealt with planning applications.
- ii. Some notification letters did not reach those directly affected.
- iii. Officers would continue to make reasoned decisions.
- iv. Consideration of the changes would be subject to a full consultation exercise.

B4198 Streets and Open Spaces Growth Officer

In response to Members' questions the Strategic Director (SH) confirmed:

- i. That this budget item was due to delayed development timetables and was an additional cost; there were areas of public open space that still needed to be adopted.

B4322 Community Clear up

In response to Councillor's questions, Councillor Thornburrow confirmed:

- i. That the council ran skip days through the different estates however she wanted 12 additional skip days that were not related to the estates to encourage residents to 're-use, recycle and repair'.
- ii. She wanted to work with local councillors where there was the need and the desire to find good locations for these additional clear up days.

C4192 Environmental Improvement Programme

In response to Councillor's questions, Councillor Thornburrow confirmed:

- i. That £170,000 would be coming from funding not spent in 18/19.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

19/12/SR Amendment to Budget Setting Report (General Fund) 2019/20 to 2022/23

The purpose of the discussion was to scrutinise the Liberal Democrat budget amendment.

The Members of the Committee and Executive Councillors asked the following questions. The answers provided by Liberal Democrat Members immediately follow.

C0004 – Housing Purchase Capital

- i. Members questioned the benefit to house homeless people without the support which went alongside it.

In response to Councillor's questions, Councillor Bick confirmed:

This referred to a service that the Council already provided, which was constrained by the number of landlords offering houses into the scheme. There were a variety of reasons why people became homeless which included addictions, mental health issues and domestic circumstances. This proposal would expand housing resources and enable people to get back on their feet.

- ii. Members questioned what was meant by 'minimum support' in the C0004 proposal.

In response to Councillor's questions, Councillor Cantrill confirmed: 'Minimum support' was the level of support needed for individuals to live an independent life. Homelessness was a major crisis; rough sleepers equated to around 15-20% of people who were homeless but a larger part of homelessness was not seen. Private landlords were reluctant to rent to individuals who were homeless and the Council had to step in to assist.

- iii. Members questioned why 5 properties (3 bed in size) would be prioritised for homeless individuals to rent.

In response to Councillor's questions, Councillor Cantrill confirmed: The decision to propose 5 properties, 3 bed in size, was a balanced decision to help with capacity; it may not go all the way but it would help. Unless individuals met certain criteria then they would not be prioritised for housing. For example males 25-35 years of age who were divorced and had a job but who had to pay maintenance towards dependents could end up 'sofa surfing' or using Cambridge City Housing Company's services.

Proposed to use the standard key worker model, for example teachers and nurses who struggled to make ends meet. The proposal would help those individuals who were the golden thread of this city. It was a struggle to recruit teachers not only in Cambridge but across the County.

- iv. Members questioned if there would be any revenue support (additional staff time) to assist with the administration of the proposed 40 tenancies.

In response to Councillor's questions, Councillor Cantrill confirmed: Clarified that if an individual's income did not increase or decrease by more than 10% in a 12 month period, then a review of rent would not be triggered. It was proposed that rents would increase by inflation which on past experience was unlikely to trigger the 10% threshold. This approach was approved by Shelter.

- v. Members commented that the rate of return was low as it was expected to be 1.6%. There seemed to be little scope to cover normal operational risks.

In response to Councillor's questions, Councillor Cantrill confirmed:

The proposal was not just about a financial return but was also about a social return for the residents of the city. The risk could be managed in a reasonable way. Key workers were not always able to afford to live in the city.

- vi. Members questioned the rent range that would be charged for the properties if rents were to be based on one third of a household income. There appeared to be a proposed monthly rent range of £400-£1100.

In response to Councillor's questions, Councillor Cantrill confirmed:

The number of households with a lower income who were able to live in Cambridge was shrinking; the cost of living in the city was gentrifying Cambridge. Charging a rent which was one third of a household's income would generate an adequate return. For the city to operate it needed teachers, carers and nurses, this proposal would send a message. This proposal was similar to council properties where some people paid local authority rent and others paid a local housing allowance rent (which had a 20% difference). This was regardless of whether the property was new or was an existing council property.

- vii. Members commented this was a wonderful idea but could not see how the scheme would add up. Also commented the flexibility that the £12 million investment would provide would be better met through a council programme.

In response to Councillor's questions, Councillor Cantrill confirmed:

When the Council introduced the real living wage, it impacted on 15% of the council's staff, this sent a message across the city. Noted the work the ruling group had done on this initiative. The Council was one of the key stakeholders who needed to put a peg in the ground, so that other stakeholders would up their game. The Council should forgo financial benefit for social benefit.

19/13/SR Business Rates Retail Discount Scheme

Councillors Green and Thornburrow left the room for this item.

Matter for Decision

The purpose of the report was to recommend the adoption of a policy to award "Retail Discount" in accordance with the Discretionary Rate Relief powers as contained within Section 47 of the Local Government Finance Act 1988 (as amended) for the years 2019-20 and 2020-21.

Decision of Executive Councillor for Finance and Resources

- i. Adopted the Retail Discount policy (appendix A of the officers report) for qualifying businesses in occupation of retail premises which have a rateable value of less than £51,000, for the financial years 1 April 2019 to 31 March 2020 and 1 April 2020 to 31 March 2021 only.
- ii. Delegated authority to the Head of Revenues and Benefits to award the “Retail Discount” where a ratepayer demonstrates their entitlement.

Reason for the Decision

As set out in the Officer’s report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

19/14/SR Council Tax Reduction Scheme 2019/20**Matter for Decision**

The purpose of the report was to undertake the annual review of the Council Tax Reduction Scheme and to decide whether the Scheme should be revised, replaced or continued for the financial year 2019-2020.

Decision of Executive Councillor for Finance and Resources

- i. Agreed to continue the current Council Tax Reduction Scheme framework with changes to applicable amounts and premiums as defined within the local scheme. The scheme supports low-paid workers already struggling to cope with stagnant wages, rising living costs and on-going Welfare Reforms that impact on Universal Credit, Tax Credits and other in-work support.

- ii. Agreed that Care Leavers under 25 are included in the vulnerable groups classification within the local Council Tax Reduction Scheme.
- iii. Agreed that following the delay in rolling out full service Universal Credit to October 2018, that the significant review of the current scheme be carried out during spring 2019 to reflect the rollout of Universal Credit.
- iv. Agreed that Empty Property Premium increases are adopted in full from 1 April 2019 to 1 April 2021.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

19/15/SR Combined Authority Update**Matter for Decision**

The report provides an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 8 October meeting of Strategy & Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Noted the update on issues considered at the meetings of the Combined Authority held on 31 October 2018, 28 November 2018 and 30 January 2019.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Chief Executive and noted Appendix C (decision sheet for CPCA meeting 30.01.19) which was circulated at the meeting.

Councillor Herbert said the following in response to Members' questions:

- i. A business plan for the CPCA had been included within the January Board agenda, but it may not have been heavily publicised. This included 12 projects which the CPCA had prioritised, which may not all directly benefit Cambridge.
- ii. Commented that the CPCA still needed to recruit permanent key officers including the Chief Executive and Director of Finance.
- iii. Cambridge had a lot to gain with the CPCA.
- iv. Commented that there needed to be clearer leadership at the CPCA.
- v. Had been challenging the work of the CPCA with South Cambs District Council.
- vi. Commented that the CPCA could not sustain spending £7million on staff and overheads
- vii. Questioned whether the CPCA was delivering for businesses and the Cambridge and Peterborough economy since the Local Enterprise Partnership (LEP) was incorporated within the CPCA.
- viii. Commented on the CPCA's inconsistent decisions regarding confidential papers and reports.

The Committee noted the report.

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

No conflicts of interest were declared by the Executive Councillor.

19/16/SR Corporate Plan 2019-22**Matter for Decision**

The report recommended approval of a revised Corporate Plan for the period 2019-22. The Corporate Plan sets out the Council's strategic priorities for the medium term, reflecting the Council's vision and consistent with the direction of

travel articulated in the Medium Term Financial Strategy and in the various strategies and plans that have been developed in recent months and years.

Decision of Executive Councillor for Strategy and External Partnership

- i. Approved the draft Corporate Plan 2019-22 attached at Appendix A.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Corporate Strategy.

The Committee unanimously resolved to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 8.55 pm

CHAIR

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

25 March 2019

5.00 - 7.30 pm

Present: Councillors Barnett (Chair), Bick, Dalzell, Green, Sargeant and Massey

Executive Councillors: Herbert (Executive Councillor for Strategy and External Partnerships) and Robertson (Executive Councillor for Finance and Resources)

Officers:

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Head of Shared Internal Audit Services: Jonathan Tully

Committee Manager: Sarah Steed

FOR THE INFORMATION OF THE COUNCIL

19/17/SR Apologies for Absence

Apologies were received from Councillor Baigent. Councillor Massey was present as the alternate.

19/18/SR Declarations of Interest

No declarations were made.

19/19/SR Public Questions

There were no public questions.

19/20/SR Minutes

The minutes of the 11 February 2019 Strategy and Resources Scrutiny Committee would be presented to the next meeting for approval.

19/21/SR Cambridgeshire and Peterborough Combined Authority Mayor

The Mayor of Cambridgeshire and Peterborough James Palmer attended the Scrutiny Committee and responded to questions put by members of the Committee.

1. Members asked whether the Mayor had a cost in mind for how much it would be to improve buses in the Cambridgeshire and Peterborough area or whether members would have to wait to see the business case on buses.

Mayor Palmer confirmed that he had no figure in mind, he did have information on the cost of bus services and how much the bus companies were making and he was working on this issue. There was a review of buses that went to the Combined Authority Board in January 2019. The work on franchising would take a couple of years and he was in discussions with bus companies about service improvements and the systems that they had in place. The bus companies were willing to work with him.

2. Members noted there was a new Managing Director at Stagecoach and asked whether there was a new view on franchising? Members also noted that Mayor Palmer had not mentioned enhanced partnerships.

Mayor Palmer commented that he was in favour of any option which improved bus services. There were high levels of subsidies in the south of the county and there were buses that did not feed people into work as buses did not start running early enough in the morning. The Combined Authority would do the best they could with the powers that they had.

3. Members referred to the Greater Cambridge Partnership (GCP) who were holding a 'Big Conversation' on Better Journeys. Members asked whether Mayor Palmer had participated in the consultation and what his view was.

Mayor Palmer confirmed that he hadn't participated because he wasn't asked. He had a good working relationship with the GCP and they were working together regarding the Cambridge Autonomous Metro project (CAM).

4. Members referred to discussions regarding how buses services were organised, either by a fixed timetable or a demand led timetable. Commented that at a meeting at the County, Councillors had indicated

that their preferred option would be for a fixed timetable. Further commented that if rural communities had more regular bus services then people would be more likely to use them. Asked what bus service provision had been put in place for vulnerable people.

Mayor Palmer commented that if work had been undertaken by the County Council then he would expect it to be fed into the bus provision review process. Stagecoach wanted to make sure that their service was available for all. He said that whatever could be done to assist vulnerable people should be done. He gave an example of using a particular colour for bus seats which assisted individuals with Alzheimers. He commented that nowhere in Cambridgeshire was isolated but some had poor transport links and noted that there was work to be done. There were transport issues within the city which were significant but there were also transport issues outside of the city which were equally significant.

5. Members asked the Mayor if he had a view on the Milton Road scheme.

The Mayor commented that he had no view and was happy the GCP knew best.

6. Members questioned why students did not get discounted bus fares and also referred to a comment made by the previous Managing Director at Stagecoach that they had enough bums on seats during peak periods and that they did not need any more.

Mayor Palmer commented that he had already made representations to Stagecoach about student bus fares and that the new Managing Director of Stagecoach was not the same as the previous Managing Director. He noted that people could not afford to live in Cambridge and therefore had to live outside of Cambridge, this meant they bought cars to travel into Cambridge which contributed to air pollution and congestion.

7. Members welcomed the CAM paper which was published last week; this was due to be discussed at the Combined Authority Board meeting on 27 March 2019. Asked where in the report it explained the funding of the scheme.

Mayor Palmer commented that to deliver infrastructure on the scale of the CAM was a significant piece of work. The strategic outline business case set out whether the project could be pursued. If the Board gave approval to the project then they would get a full business case and methodology produced.

The Treasury had said that they wanted to see the outline business case and Mayor Palmer would be working with the Treasury over the next 12 months. He would also need to make sure that he had powers to bring development forward. He was working with landowners in the south of the County in 3 districts. He commented that he could not deliver the scheme on his own and required the assistance of partner local authorities. He believed funding could be raised to deliver the scheme and developers would be able to make a profit.

8. Members asked whether there was a point in the future when a decision would be made that the CAM project would or would not be able to go ahead.

Mayor Palmer commented that he had a firm belief that the scheme could be delivered; there was the finance to deliver the scheme and the ability to be able to make a profit. If the numbers did not add up in the full business case, then that would be the point when the scheme would not be pursued. The Independent Economic Review said that if nothing was done to improve transport in the area the economy would go bankrupt. The economy in Cambridge would drive the economy nationally in the next 20 years.

9. Members asked whether there were any contingency plans regarding the bus review to address the transport gap between now and 2031.

Mayor Palmer said if the CAM was built between 2023 – 2029, this would give confidence to the business sector and encourage further investment. Other transport projects included Cambridge South Station, the dualling of the A10, work to the A47 and work on the A428 which was starting in 2021. There were projects in the pipeline for the short, medium and long term.

10. Members commented that businesses at the Science Park had said that they struggled to recruit staff; if employers were unable to recruit staff, investors may get cold feet. In order to deliver the CAM, short term transport solutions may need to be put in place.

Mayor Palmer commented that Cambridge had more jobs than people and quite a few members of the workforce came from neighbouring counties and further afield. Investors that had approached him saw Cambridge as an area that would have significant growth; the investors were pension fund investors who were looking for a 30-40 year investment.

11. Members asked whether Central Government could be encouraged to invest more in the CAM.

Mayor Palmer commented that the reality was that Central Government had a population of over 64 million and there were investment issues across the country so we were in a competitive market. The Combined Authority had been successful in getting a lot of funding for Cambridge. If Central Government wanted to put in more than 10% funding that would be great but they would look at the project as a business investment. He commented that he did not want the CAM scheme borrowing against future ticket sales. 15 million journeys were expected per year so ticket prices should be set at reasonable levels.

12. Members asked Mayor Palmer if he thought there was too much disagreement within the Combined Authority Board and what he was doing to address tensions.

He acknowledged disagreements at Board level between Leaders but said that he thought there was more that the Leaders agreed on than they disagreed about. There was a combined desire to spread the wealth, see better public transport and greener and more environmentally friendly ways to deliver housing and affordable housing. He hoped colleagues on the Combined Authority Board thought what was trying to deliver would be beneficial to all.

13. Members asked what the benefits of the CAM would be to Cambridge city residents who lived between metro stations and the city centre.

Mayor Palmer commented that Cambridge was a relatively small city and that it would be easy to get around if you removed congestion. The cost of underground metro stations was over £250 million each. He wanted to protect the nature of the city itself. If a congestion charge was brought in which reduced congestion this could enable a more reliable bus service for people of Cambridge (in advance of the CAM) and it would be easier and safer to cycle if there were less cars on the road.

14. Members asked if it would be easier if we had unitary councils.

Mayor Palmer commented that Andy Wood was Chair of the independent Commission looking at local government reform for Cambridgeshire and Peterborough.

15. Members commented that whilst Cambridge residents wanted to see the end to congestion they did not want Cambridge to lose its uniqueness.

Mayor Palmer commented that he lived 15 miles away from Cambridge and he spent time socially in Cambridge so he cared very much about the nature of Cambridge itself. The strategic planning of the area was to prevent urban sprawl. He wanted to preserve the fabric of the city and the countryside. Infrastructure needed to be put in place first before development. He stood for election on a manifesto to do his best and protect the Cambridgeshire and Peterborough area. The impact that Cambridge had on surrounding areas could not be overlooked; living 15 miles outside of Cambridge meant people still had to pay significant amounts for housing.

16. Members referred to the Independent Review Body who were looking into Local Government reform for the Cambridgeshire and Peterborough area and asked whether the Body would be consulting with Cambridge City Council and other District Councils in the area.

Mayor Palmer said he expected Andy Wood would want to talk to people. A report was expected by the end of the summer. He had only spoken with the Chairman of the Independent Review Body once which showed how independent the body was.

19/22/SR Combined Authority Update

Matter for Decision

The report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 11 February meeting of Strategy & Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Noted the update on issues considered at the meetings of the Combined Authority held on 27 February 2019.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Chief Executive.

Councillor Herbert made the following comments:

- i. Expressed some scepticism about the proposed dualling of the A10.
- ii. There were proposals for a new Combined Authority Housing Company, but it was not clear what this new company could do.
- iii. Expressed disappointment with the lack of progress in delivering 2000 affordable houses.
- iv. He was on the interview panel for the new Chief Executive for the Combined Authority.
- v. Expressed concerns regarding the increase in the Mayor's personal staff from 4-7.
- vi. He did not agree with certain roles at the Combined Authority being subsidiary to other Directors (for example the Head of Finance).
- vii. He thought that there should be a nationally recognised local government expert as one of the members of the Local Government Review Board and that the review should engage with communities and councils in the Combined Authority area.

Councillor Sargeant commented that:

- i. He was the Chair of the task and finish group for the Cambridge Autonomous Metro project and he had hoped to have early access to the business case but was frustrated that he only had 3 working days to review the papers and had raised this issue with the Mayor.
- ii. He commented that the Overview and Scrutiny Committee had a lack of access to information generally and could attend other committees and not be able to have access to papers that they were discussing.
- iii. The Interim Chief Executive had agreed to meet with him and the Chair of the Overview and Scrutiny Committee to discuss access to confidential papers.

The Committee noted the report.

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

No conflicts of interest were declared by the Executive Councillor.

19/23/SR Update on the Work of Key External Partnerships

Matter for Decision

The report provided an update on the work of the Cambridgeshire and Peterborough Business Board (former Greater Cambridge Greater Peterborough Local Enterprise Partnership), Greater Cambridge Partnership

and other growth-related partnerships and is provided as a part of the Council's commitment given in its "Principles of Partnership Working", to set out annual reports summarising the work of the key partnerships it is involved with.

Decision of Executive Councillor for Strategy and External Partnerships

- i. To continue to work with the Greater Cambridge Partnership and other growth-related partnerships and to work with the new model of delivery for the Local Enterprise Partnership (Business Board) under the Combined Authority, so that together the Council and its partners can address the strategic issues affecting Cambridge, to the overall benefit of citizens.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

This item was not requested for pre-scrutiny and the committee made no comments in response to the report from the Corporate Strategy Officer.

The Committee unanimously resolved to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

19/24/SR Shared Services Business Plans 2019/20 (Legal, ICT and Internal Audit)

Matter for Decision

The Shared Services Agreement requires business plans to be approved every year for the Legal, ICT and Audit shared services. The Business Plans ensure the services adhere to the original objectives and contribute towards each partner council's strategic objectives.

Decision of Executive Councillor for Finance and Resources

- i. Approved the Business Plans for each of the Shared Services attached as Appendices to the Officers report
- ii. Authorised the Shared Services Management Board to approve final amendments to the Business Plans in line with comments received from all three partner councils.
- iii. Agreed to bring a progress report to the next meeting of the Strategy and Resources Scrutiny Committee regarding proposals for the joint scrutiny of shared services

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

The Head of Shared Internal Audit Service said the following in response to Members' questions:

- i. The Principal Auditor position was one that the Council was unable to recruit into immediately, and the role was endorsed by the independent Public Sector Internal Audit Standards assessment. Only one of the vacant Senior Auditor positions had been appointed during the previous recruitment exercise. If the Council was unable to appoint to the role in the next recruitment round then he would look at the recruitment process with HR and continue to explore other alternatives.
- ii. He was currently seeking to build awareness of the Shared Internal Audit Team across the 2 councils. The Strategic Management Team did guide areas of work, and he was also looking for real time engagement from all levels of the services as this would help to develop an agile risk based plan.

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

- i. When the Shared Services Partnership agreements were put in place there were some issues which required further agreement and which were being worked on, she had also been working on more general exit strategies across the shared services.
- ii. None of the Council's had a comprehensive asset register before the shared services commenced but 3C ICT now had a comprehensive asset register.

- iii. The Head of 3C ICT was an important strategic role, they had interviewed 3 candidates who had the right abilities but only 1 candidate could demonstrate leadership. It was felt that the interim arrangements to have a Head of 3C ICT for 2 days a week was more advantageous than having no-one in post at all.

The Chief Executive said the following in response to Members' questions:

- i. She had attended the most recent South Cambridgeshire District Council (SCDC) Scrutiny Committee with the Chief Executive of Huntingdonshire District Council (HDC). Due to the loss of Senior Officers who had knowledge of the shared services there were gaps in the understanding of the history and the benefits of shared services.
- ii. Commented that the Strategic Director has been doing a lot of work with SCDC and HDC regarding the shared services.
- iii. Confirmed that she was happy to commit to looking at shared scrutiny arrangements with SCDC and HDC however commented that all three councils operated different governance arrangements so this work might not be ready for the next Strategy and Resources Scrutiny Committee meeting.

Councillor Bick proposed and Councillor Dalzell seconded an additional recommendation iii to bring a progress report to the next meeting of the Strategy and Resources Scrutiny Committee regarding proposals for the joint scrutiny of shared services.

The amendment was carried by 5 votes to 0.

The Committee unanimously approved the amended recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

19/25/SR Update on Planned Development of Park Street Car Park

Matter for Decision

The Executive Councillor approved a proposal to delegate authority to the Strategic Director (in consultation with the Executive Councillor) following the Strategy and Resources Scrutiny Committee in March 2018 to finalise

negotiations on a commercial deal for redevelopment of Park Street Car Park, in line with an approved strategic brief.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Noted the progress made in relation to the project and confirmed delegated authority to the Strategic Director to finalise the due diligence and lease documents/conditional contracts required to ensure delivery of the project within the agreed parameters and timescales.
- ii. Noted that the legal documents would be conditional upon a successful planning application

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

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

- i. Welcomed the redevelopment of Park Street Car Park but would have preferred housing to have been included on the site. Also welcomed the network infrastructure for electric vehicle charging points.
- ii. Pleased to see electric vehicle charging points.
- iii. Questioned if the Committee would be assisting in the selection of the architects for the project.
- iv. Asked if there would be toilets in the hotel element of the project that members of the public could use and whether the tenants of the building would pay their workers the living wage.

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

- i. The Head of Environmental Services was in the process of undertaking a review into the toilets at Quayside, but the proposal to ensure sufficient provision replacing the current Park Street provision forms part of that review.
- ii. The architects for the project have won awards for hotels and have been involved in the project for all the preliminary work. The Developer has confirmed that they will continue to use them.
- iii. It would be a matter for the hotel operator to determine what facilities (if any) would be made available to members of the public. The Council

would work with the developer to encourage the tenant of the sublease to sign up to the living wage.

The Chief Executive confirmed that the concerns expressed regarding the loss of toilet facilities at Park Street and the quality of facilities at Quayside would be fed into the toilet facilities review.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 7.30 pm

CHAIR

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

22 May 2019
12.00 - 12.05 pm

Present: Councillors Davey (Chair), Todd-Jones (Vice-Chair), Bick, Dalzell and Green

Executive Councillors: Herbert (Executive Councillor for Strategy and External Partnerships) and Robertson (Executive Councillor for Finance and Resources)

FOR THE INFORMATION OF THE COUNCIL

19/26/SR Appointment of Working Parties

The Scrutiny Committee agreed the nominations below:

	Number of allocation
Equalities Panel	3 Labour 2 Liberal Democrat
Councillors – Smart, Collis, Thittala, Porrer, Page-Croft	

	Number of allocation
Joint Staff Employment Forum	3 Labour 2 Liberal Democrat 2 Alternates
Councillors – Bird, Moore, Johnson, Dalzell, Chadwick	
Robertson (Ex-Officio)	
Alternate Councillors – Sargeant, Lib Dem TBC	

19/27/SR Appointment to Outside Bodies

The Scrutiny Committee recommended appointment to the outside bodies listed below:

	Number of allocation
Greater Cambridge Partnership Executive Board	1 Labour 1 Labour Alternate
Councillor – Herbert Alternate Councillor Sargeant	

	Number of allocation
Local Government Information Unit	1 Labour
Councillor – Herbert	

	Number of allocation
East of England Local Government Association	1 Labour
Councillor – Herbert	

	Number of allocation
LGA General Assembly	1 Labour – Leader
Councillor – Herbert	

	Number of allocation
Horizons Board	1 Labour – Leader
Councillor – Herbert	

	Number of allocation
Cambridge Investment Partnership	2 Labour
Councillor – Johnson, Robertson	

	Number of allocation
Brexit Advisory Group (joint with South Cambridgeshire District Council)	2 Labour 1 Lib Dem
Councillor – Smith, Davies, Cantrill	

The Leader and the Executive Councillor for Finance and Resources agreed the appointments.

The meeting ended at 12.05 pm
CHAIR



Review of third year of our Corporate Plan 2016 to 2019

To:

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and External Partnerships

Strategy & Resources Scrutiny Committee

Report by:

Andrew Limb

Tel: 01223 - 457004

Email: Andrew.Limb@cambridge.gov.uk

Wards affected:

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

Not a Key Decision

1. Executive Summary

- 1.1 This paper presents the Annual Report (attached at Appendix A) on the work that has taken place during 2018/2019 against the objectives set out in the City Council's Corporate Plan 2016 to 2019. Updated data on the key performance indicators included in the Corporate Plan are attached at Appendix B.
- 1.2 The work done demonstrates the activity that is taking place in responding to the challenges that the city is facing and identifies some of the achievements of the Council and its partners during the year. It shows the progress the Council is making towards achieving its vision for the city, in the context of the resource constraints that are placed upon it.

- 1.3 In order to gain a complete view of the council's performance, this annual report ideally should be read alongside the council's financial outturn reports and the annual complaints report. To support this coherent view, officers propose bringing the annual report and annual complaints report together to one committee in future years.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note what has been achieved during the third year of the Corporate Plan 2016 to 2019 and agree the annual report be published.
- 2.2 Agree to the annual report being reported alongside the annual complaints report, to one committee, in future years.

3. Background

- 3.1. Cambridge City Council's Corporate Plan for 2016-19 sets out the key activities the Council planned undertake over a three year period in order to achieve its strategic objectives and vision. It does not seek to cover all areas of activity, or go into excessive detail, but sets out to capture the higher level, strategic objectives, and the priority activities associated with these.
- 3.2 An annual report showing what is achieved each year, in response to the key activities (and data showing performance against key indicators), is compiled by officers and then presented for member scrutiny, as part of the Council's performance management, transparency and accountability arrangements.
- 3.3 Once accepted by the Leader, subject to any amendments accepted at this committee, it is the intention to publish the annual report on the council's website, in a more visually engaging format. The full report will also will form the basis of an article in Cambridge Matters, to raise awareness of the work of the Council.

4. Implications

(a) Financial Implications

Not applicable.

(b) Staffing Implications

Not applicable.

(c) Equality and Poverty Implications

Not applicable

(d) Environmental Implications

Not applicable.

(e) Procurement Implications

Not applicable.

(f) Community Safety Implications

Not applicable.

9. Consultation and communication considerations

An annual report, using the exact same text contained in Appendix A, but set out in a more engaging format, will be published on the Council's website and promoted through press release and our social media channels with the intention of aiding transparency and accountability over the Council's delivery against its priority objectives.

10. Background papers

Background papers used in the preparation of this report:

- i. [Corporate Plan 2016 to 2019 and Annual Reports](#)
- ii. [Report to Strategy and Resources Committee 2 July 2018](#)

11. Appendices

- A. Annual Review of Corporate Plan, 2018/19
- B. Corporate Plan 2016 to 2019 Key Performance Indicators:
annual performance 2018/19

12. Inspection of papers

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

GRAHAM SAINT,

CORPORATE STRATEGY OFFICER,

tel: 01223 - 457044, email: graham.saint@cambridge.gov.uk.

Draft Corporate Plan Annual Report 2018/19



Cambridge City Council's Corporate Plan for 2016-19 sets out the key activities the Council planned undertake over that three year period in order to achieve its strategic objectives and vision.

This annual report shows what was achieved during 2018/19 under the following priority headings:

- 1. Deliver sustainable prosperity for Cambridge and fair shares for all**
- 2. Tackle the city's housing crisis and delivering our planning objectives**
- 3. Make Cambridge safer and more inclusive**
- 4. Invest in improving transport**
- 5. Protect our City's unique quality of life**
- 6. Protect essential services and transforming council delivery**
- 7. Tackle climate change, and making Cambridge cleaner and greener**

1. Deliver sustainable prosperity for Cambridge and fair shares for all

We said that we would carry out the actions in our Anti-Poverty Strategy (APS) action plan including supporting and promoting the services offered by credit unions in Cambridge; and promoting the living wage to help people on low incomes maximise their income and minimise their costs.

During the year we spent just over £572,000 on 22 projects to help improve the lives of people living on low incomes in the city.

We said that we would support children and families who face greatest need in the city by providing opportunities to be included and engaged in the life of the city.

During the year we continued to deliver, in partnership with community and voluntary organisations, a holiday lunch programme that served a total of 2,737 lunches. Our Children and Young People's Participation service delivered 738 universal sessions attended by just over 25,000 children in the year.

We said that we would ensure the impacts of welfare reform are managed smoothly and effectively to include the Council's local council tax reduction scheme; and work with the DWP to support residents with the implementation of Universal Credit.

During the year Universal Credit full service was rolled out in Cambridge we continued to support customers affected by recent national welfare reforms. We awarded £36.4m in Housing Benefit, over £6.4m in Council Tax Reduction and supported some of the most financially vulnerable people through Discretionary Housing Payments, with over £264,000 paid to more than 600 households in the year. We continued to work collaboratively with Cambridge Citizens Advice Service, providing a budgeting support outreach service in Cambridge Jobcentre to support people moving on to Universal Credit. We also achieved a 98% Council Tax collection rate in the year for the first time, against a background of decreasing collections for local authorities nationally (17/18).

We said we would review community-based activity and facilities, and work in partnership, to ensure that services support those in greatest need.

£572,000 spent on anti-poverty projects to help people living on low incomes

2,737 free community lunches provided to low income families in school holidays

25,319 children and young people attended play sessions

£36.4m was awarded in Housing Benefit

£6.4m of awards in Council Tax Reduction

600 of the most vulnerable households received Discretionary Housing to help them stay in their homes

98% Council Tax collection rate achieved

During the year we continued to support the neighbourhood community development projects in Abbey, Arbury and Kings Hedges wards and started the process of realigning our resources so that we can ensure support to the communities and areas of highest need.

We said we would ensure through the planning process that new developments include community and other facilities that make them high quality places to live.

During the year we worked with developers to finalise a temporary community facility for the first phase of the Darwin Green site, off Huntingdon Road, before a more permanent facility is provided. We also consulted with residents and stakeholders for a bespoke new community facility for the Mill Road Depot site and continued to develop newly opened centres at Clay Farm and Eddington with partners.

We said we would work with partners to secure devolution of powers and funding from central Government, and expand joint delivery of public services.

During the year we continued to work with the Combined Authority as it developed its work programme. The programme to date has focused on key plans and strategies rather than joint service delivery. The Combined Authority set up a separate commission to look into health and social care issues.

We said we would work in partnership with the new destination management organisation for Cambridge and the surrounding area to maximise the economic benefits from tourism to the city.

During the year we continued to work with and support Visit Cambridge and Beyond (VCB), the city's destination management organisation, to provide a high quality visitor welcome service. As well as managing the city's Visitor Information Centre, VCB also provide an extensive programme of public and private theme based walking tours and is looking to develop its offer to Chinese visitors.

We said we would work with digitally excluded tenants and residents to enable them to access online services that improve their life chances.

During the year we funded a number of projects that enabled a total of 323 people, both tenants and residents, to gain the digital skills to access online services. Two of the projects supported 40

Consultations began for a **new**

community facility at Mill Road

Depot site

Combined Authority set up commission to look at

health and social care

323 people gained basic digital skills

40 people volunteered to be digital volunteers

volunteer Digital Champions to run their own training sessions, helping older people and people on low incomes to understand and use technology.

We said we would continue to support vital citywide and local advice and support services for those most in need, provided by the Citizens Advice Bureau (CAB), our skilled council advisers and others. We will carefully target investments from our Sharing Prosperity Fund, and investigate expanding CAB outreach workers to other surgeries in communities of high need.

During the year we continued to fund Cambridge Citizen's Advice to provide free general, specialist and outreach legal and financial advice to city residents. This included outreach advice in two community centres as well as in two GP settings in Abbey and East Chesterton. We also supported the employment of a Financial Inclusion Officer to provide specialist support to vulnerable people and incorporated a new criterion of 'reducing poverty' to our community grants programme to help better target our grants.

2. Tackle the city's housing crisis and delivering our planning objectives

We said we would work with partner local authorities, Registered Providers and developers to build new homes across all tenures in accordance with the local plan, with a particular focus on maximising delivery of social rent housing.

During the year 127 new affordable homes, covering a mix of social housing for rent (102), and shared ownership (25), were completed by the council and other registered providers. Both the council and other providers have continued to ensure that rents are at or below Local Housing Allowance rates to keep them as affordable as possible. Under the Council's programme to build 500 Council rented homes, construction started on a further 132 further homes during the year. Planning permission has been achieved for a further 34 Council rented homes.

We said we would develop a "General Fund Development Programme" to make the most of the Council's land to provide new market, social rented and – potentially - intermediate housing, at a range of sites including, for example: Mill Road Depot; and Park Street Car Park.

During the year we purchased the former Ridgeons brownfield site at Cromwell Road through our General Fund Development Programme. The Cambridge Investment Partnership has developed a new housing scheme for the site, and submitted a planning application for the site this year to build 295 homes, of which 118 will be Council rented. The Mill Road scheme meanwhile has started the first phase of development on site to build 91 Council rented homes, (and the build programme is progressing as planned). The second phase application for a further 50 homes, of which 25 will be Council rented homes, has been submitted for detailed planning permission. Other General Fund land schemes with proposals for housing are in development.

127 new affordable housing completions

132 further Council rented homes started construction

7,000 homes in the city managed and maintained

We said we would continue to provide council housing, focusing on those most in housing need.

During the year we continued to manage and maintain just over 7000 homes in the city. We achieved a small net loss of 19 homes in the year but are expecting to redress the balance over the next three years as a result of our programme to build 500 affordable homes in the city. Despite the full introduction of Universal Credit to the city during this period the council has been able to maintain rent collection rates at 97.7%. We have been able to increase our assessment and support of vulnerable tenants at risk of losing their home and 78 vulnerable clients, most presenting with multiple needs and issues, were supported by our Tenancy Sustainment Service to maintain their tenancy in the year.

We said we would provide housing advice to reduce, and help prevent, homelessness by offering early advice on alternative housing options.

During the year we prevented or relieved homelessness for 261 households threatened with losing their homes. In addition, we provided general homelessness advice to 863 households concerned that they may be made homeless. We made 65 rent deposit and rent-in-advance loans to people moving into privately-rented accommodation. Through our single homelessness service we found accommodation for 112 people at risk of rough sleeping.

We said we would encourage private landlords to deliver good standard, energy-efficient housing and tackle those who do not.

During the year, we investigated a total of 239 complaints about private rented housing standards and 36 concerning empty properties. We issued 25 enforcement notices and 2 fixed penalty notices on private landlords for failures in property standards and successfully prosecuted 1 landlord for failure to comply with an improvement notice. We also worked to ensure that 182 occupied properties were brought up to standard and to bring 26 empty homes back into use. 46 landlords and property agents were trained in good housing management practice across 5 training sessions.

97% of routine repairs to council homes completed on time

98% of rent collected

78 vulnerable tenants were supported to maintain their tenancy

261 households prevented or relieved from homelessness

863 households received general homelessness advice

112 people at risk of rough sleeping were found accommodation

239 complaints about private sector housing standards investigated

26 empty homes brought back into use

219 older people supported by our visiting support service

954 tenants in our sheltered housing

We said we would support health and social care partners to deliver effective community and home based support.

During the year we supported 219 over 65s as part of our visiting support service and a further 954 tenants living within our sheltered housing schemes. The service also assisted older people in applying for the services and benefits they are entitled to and so far helped individuals claim an additional income of £127,743.

We said we would seek to secure target of 40% affordable housing in new developments through the planning application process.

During the year the council secured affordable housing provision through implementation of the 40% target Local Plan policy in a number of major planning applications across the city, including: the issuing of permission, following a council resolution, for residential development comprising 182 dwellings at Mill Road Depot, delivering 91 affordable units at 50% Council rented homes. Planning approval was sought for 295 homes with 40% Council rented homes (118). We also achieved planning permission for 34 other Council rented homes on smaller sites. At Anstey Way, construction is nearly complete now on 56 Council rented homes (100% of those on the site).

We said we would support the local plans through the examination process to adoption and then joint implementation with partners, particularly in partnership with South Cambridgeshire District Council.

During the year the council successfully adopted the Cambridge City Local Plan. The Local Plan provides a framework for the future development of the city, and a range of planning policies aimed at ensuring future growth in the city is of a high quality. As well as adoption of the Cambridge City Local Plan the council (alongside South Cambridgeshire District Council) consulted on the first phase of the Area Action Plan for North East Cambridge, the city's largest brownfield re-development opportunity site.

We said we would ensure planning applications are dealt with within target timescales and resources.

During the year the service began its transition into a shared planning service and is implementing a new ICT solution to

**Secured
affordable**

housing provision
through Local Plan policy

Consulted on **Area
Action Plan** for
North East Cambridge

**Planning
application**

performance significantly
above government target

<p>enable this to happen. The service has maintained its performance at levels significantly above the government's statutory targets, with 97% of all major decisions made in time (against a target of 60%), 83% of minor decisions (against a target of 65%) and 91% of all "minor" decisions (which includes householder applications) approved within time (against a target of 80%).</p> <p><i>We said we would develop further the Cambridge City Housing Company.</i></p> <p>During the year management of the Housing Company's properties through Town Hall Lettings has gone well. Rent collection figures (excluding voids) remain at 100%. There were six changes of tenancy over the period in the year with an average void period of 13.7 days. Total voids stand at 0.97% - well below the 4% budgeted for.</p> <p><i>We said we would work with our partners in the City Deal through the shared Housing Development Agency to deliver additional affordable homes for market sale and rent on sites in and close to Cambridge.</i></p> <p>During the year the Housing Development Agency (HDA) operated as a Cambridge City Council department. The HDA started 132 new council homes on site as part of the Devolution Housing Programme.</p> <p><i>We said we would seek ways to continue building new City Council homes.</i></p> <p>During the year we identified 21 new sites for council housing schemes that will deliver a net gain of 536 new council homes overall. Planning permission has been achieved on 13 of these sites with the other 8 expected to achieve planning permission by the end of 2019. The majority of these schemes will be developed by the Cambridge Investment Partnership.</p> <p><i>We said we would work with our statutory and voluntary sector partners to reduce street-based homelessness.</i></p> <p>During the year we continued to work with our partners to deliver the actions in our Homelessness Strategy Action Plan. The annual count of rough sleeping in the city rose by one to 27, however, the total number of individuals counted across the year reduced from 175 to 158.</p>	<p>132 new council homes started on site by HDA</p> <p>21 new sites identified for council housing schemes</p> <p>158 rough sleepers across the year recorded, down by 17 since last year</p>
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3. Make Cambridge safer and more inclusive

We said we would work to make the city a safer, more inclusive and welcoming place by promoting equality and diversity advice and events.

During the year we continued to develop and extend the reach of the programme of free events celebrating the city's diversity, which included a Holocaust Memorial Day programme. This was attended by approximately 1,000 people at a Civic Event and 3,900 school children took part in related school workshops. We also continued to support a training programme for equalities groups and funded and supported the City Events programme and community led events and festivals across the city.

We said we would work with County Council, Police and local residents and businesses to tackle anti-social behaviour issues, including littering, alcohol-related incidents, fly tipping and nuisance punt touts.

During the year our Safer Communities service dealt with 511 reports of antisocial behaviour of which 423 were assessed as being either medium or high risk.

Our Environmental Health service issued a total of 662 fixed penalty notices for environmental crimes during the year, including 392 for littering, 71 for small scale fly tipping and 59 for commercial waste breaches and responded to 1,855 complaints about noise nuisance, serving 35 abatement notices in more serious cases.

Our cleansing teams also responded to and cleared 1,080 incidents of fly-tipping. We continued to remove abandoned belongings found on the city centre streets and worked with local homeless charities to reunite belongings with their owners, where possible.

We said we would ensure that Council departments, and the partners who deliver services on our behalf, meet high standards in protecting children and adults through our safeguarding activity.

511 cases of anti-social behaviour dealt with

662 fixed penalty notices issued for environmental crimes

1,855 noise nuisance complaints investigated

1,080 incidents of fly-tipping responded to

During the year we continued to deliver safeguarding children training to groups and teams within the city, updated our Corporate Safeguarding Policy and associated policies to reflect any legislative and procedural changes and conducted a safeguarding audit of our contracts.

Our approach to safeguarding was viewed positively in an audit of our practice by the Local Safeguarding Board and we continue to monitor the safeguarding aspects of the community and voluntary organisations that we fund as part of our grants programme.

We said we would fund overnight street lighting across Cambridge that would otherwise have been lost, to reduce the risk of crime, reduce the fear of crime, and contribute to the wider safety of people travelling during the night or starting their journeys early morning.

During the year, in response to concerns raised by residents, we have continued to provide a grant to the county council to increase the brightness of street lighting in the city between 10 pm and 2 am.

We said we would upgrade CCTV, including relocatable CCTV, to continue its vital contribution to making Cambridge safer. We will target areas of the city which experience most crime or anti-social behaviour.

During the year we continued to work with local communities experiencing high levels of crime and anti-social behaviour ensuring the appropriate deployment of our mobile cameras.

We said we would follow up the consultation on the proposed Public Spaces Protection Order to achieve effective measures to tackle anti-social behaviour from punt touts.

During the year we were successful in obtaining a High Court injunction to prevent unauthorised use of council-owned land bordering the River Cam. This prohibited unauthorised punt operators from using this land to access the river without consent.

That, together with our continued enforcement of the Public Spaces Protection Order for punt touting, significantly reduced the level of punt related touting in the city centre and punt tout related complaints.

Our

Safeguarding

practice positively endorsed after audit

Continue to fund

increased brightness of street lamps

late at night

Continue to restrict activity

of unauthorised punt operators

We said we would implement the Mental Health Concordat in partnership with other organisations, refocusing council service delivery on the needs of residents experiencing mental health issues.

During the year our Tenancy Sustainment Service continued to offer support to vulnerable tenants, sign-posting and referring people to partner mental health services where appropriate. We also continued to provide grant aid to the Cambridgeshire and Peterborough (NHS) Foundation Trust who piloted a Dual Diagnosis Street Team (DDST) that works with rough sleepers who have both substance misuse and mental health problems. The DDST managed to secure accommodation for 27 rough sleepers in the year.

We said we would continue to prioritise the prevention of domestic violence and sexual exploitation, in line with the city's White Ribbon status. We will work with partner organisations to achieve this.

During the year we continued to prioritise domestic violence and achieved re-accreditation as a White Ribbon Campaign Local Authority in February 2019. With our partners, we held a Domestic Abuse Conference to mark White Ribbon Day and supported United Nations International Day to Eliminate Violence Against Women And Girls (VAWG). We continued Cambridge Community Safety Partnership's work in local schools to raise awareness about healthy relationships, sexual exploitation and sexual consent. We also worked towards gaining Domestic Abuse Housing Alliance accreditation.

We said we would continue to re-home homeless Syrian refugees, working with the Home Office and the network of East region councils. Work with Cambridge partner organisations, including the Cambridge Ethnic Community Forum and Cambridge Refugee Resettlement Campaign, and complete a survey of refugee and asylum seeker numbers and needs in Cambridge.

During the year we reached our target to resettle refugees with the arrival of the last family in November, bringing the total resettled to 101. The work to assist the refugees integrate into the city is ongoing, helping the families to be self-sufficient and independent.

27 rough sleepers with highly complex needs were housed

Achieved re-accreditation as a **White Ribbon** local authority

101 refugees settled under the Syrian Vulnerable Person scheme since 2015

We said we would review the Council's approach to public engagement in formal council meetings and decision-making.

During the year we continued to seek feedback on how we are doing at public meetings to find out how to make them more accessible and interesting.

We continue to "stream live" major meetings of interest and have provided short video-clips to help inform citizens about issues the council is dealing with, such as setting budget priorities.

We said we would review the role of people under eighteen in decision making and having a say on the delivery of council services that affect them.

During the year we again supported a "Take Over Day" for young people who focused on neighbourhood issues, such as anti-social behaviour, community safety in their parks, traffic and litter.

The views and opinions expressed by the young people during the day were provided to councillors and senior officers to help inform their understanding of their views and take action where appropriate.

We also worked with the Greater Cambridge Partnership and our shared planning service on planning issues in major growth areas to feed in the views of young people on proposals.

4. Invest in improving transport

We said we would work in partnership to deliver the City Deal infrastructure schemes and other transport measures that support the sustainable growth of Cambridge by reducing traffic congestion and increasing pedestrian, cycle and public transport use; and by securing additional investment from Government, transport operating companies and others.

During the year a number of priority infrastructure schemes continued to be progressed by the Greater Cambridge Partnership, through various stages of the consultation and planning processes. This included completion of public consultations on the full Cambourne to Cambridge route; implementation of road safety improvements along the A1307, and; starting scoping work commenced on the A10 Waterbeach to Science Park and East Cambridge corridors.

Further schemes progressed in the year included: the Chisholm Trail; Cross-City Cycling schemes; Milton Road; Histon Road, and; the West of Cambridge package. The Partnership also conducted its 'Choices for Better Journeys' public engagement exercise, delivering a robust evidence base to support the further development of the City Access offer.

We said we would manage off-street parking that supports business and residents' needs, investing in modernised payment systems and improved energy efficiency and developing a partnership with the County Council's parking and enforcement roles.

During the year we procured a new pay-by-phone supplier for our surface car parks. The new system provides access by both phone and a web enabled mobile app. We continue to work with our county partners in developing the citywide provision of electric vehicle charging. In the year there were 2.2m uses of our multi-storey car parks.

We said we would work with Cambridge Business Improvement District, local retailers and businesses and City Deal partners to develop a plan to reduce delivery vehicle movements in the city centre.

Progressed important
infrastructure schemes in the city with partners

2.2m visits to our multi-storey car parks

During the year the Greater Cambridge Partnership continued the City Access project, developing a wide-ranging strategy to tackle congestion and improve traffic movements within the city. This includes the development of proposals for freight consolidation and for better click and collect services at current Park & Ride locations.

We said we would continue to deliver improved cycle routes, including the Chisholm Trail, other cross-city cycling initiatives and related cycling improvements.

During the year the Greater Cambridge Partnership began construction on the first phase of the Chisholm Trail at Ditton Meadows. Improved cycle routes have started to be made available for public use through the Cross-City cycling improvements, with work continuing to develop various routes for full use. Particularly: works on Fulbourn Road and Green End Road reached final their phases; the main works on cycle links to East Cambridge are progressing, and; the final phase for the works on Arbury Road started.

The Partnership also conducted public consultations on the first set of 'Greenways' routes, and construction commenced on various quick wins, designed to improve cycle routes into and around Cambridge.

We said we would work with the County Council, Network Rail and private sector partners on proposals for an Addenbrookes' Rail Station and for the May 2017 opening of Cambridge North station - projects requiring integration with improved bus and cycle options. We said we would also work to improve Cambridge rail station and to secure wider additional investments in the rail network benefitting Cambridge and Cambridgeshire.

During the year a feasibility study into rail capacity improvements in Cambridgeshire, supported by the Greater Cambridge Partnership and other strategic partners, was undertaken and an output will be produced in summer 2019. The study will evidence the rail interventions required to accommodate future growth.

Begun construction of first phase of the

Chisholm Trail

Improved cycling routes in and around the city

5. Protect our City's unique quality of life

We said we would provide swimming, sport facilities and leisure services that are accessible to everyone, targeting our resources on promoting healthy lifestyles to address health inequalities.

During the year there were 578,000 casual swims at the council's swimming pools and 208,000 visits to our sports facilities, of which 113,000 were by people holding concessionary membership.

379 clients participating in the city's exercise referral programme were seen by the service out of which 84% achieved completion. 142 clients referred from 10 GP practices accessed the service for free. As a part of the Let's Get Moving project, funded by county public health, the service ran events in the city to promote increased physical activity that over 1,140 people attended.

We said we would engage a greater proportion and diversity of residents in the arts and cultural life of Cambridge.

During the year we continued to work with cultural organisations across the city to increase engagement, including: support for Kettle's Yard both in their re-opened venue and their continuing work in North Cambridge; support for the Museum of Cambridge to work with city communities in presenting regular exhibitions of community histories; support for the University of Cambridge Museum's work with older people; and Cambridge Junction's programme presenting artists from diverse backgrounds.

We said we would provide funding and targeted advice to voluntary organisations, prioritising projects that tackle inequality.

During the year we funded 97 voluntary and community groups through our £900k Community Grants programme. These groups delivered 137 services and activities to help reduce social or economic inequality among Cambridge residents with the greatest needs.

578,000 casual swims in our swimming pools

208,000 visits to our sports facilities

379 people participated in the city's Exercise Referral Programme

1,140 people were involved in Let's Get Moving activities

97 voluntary and community groups funded to deliver **137** services

We said we would deliver capital projects that will enhance community infrastructure and quality of life for city residents in new and existing communities.

During the year we continued to deliver an extensive programme of infrastructure, environmental and cultural improvements across our city's streets and open spaces, including projects at Arbury local shopping centre; Mill Road Cemetery; and Cherry Hinton Hall Park.

We also invested in small scale local public realm improvement projects, including new street bins, outdoor seating and meadow planting, through our area-based Environmental Improvement Programme.

This year, in total, we invested over £2 million in capital projects to enhance community cohesion and the quality of life of city residents and visitors.

We said we would involve communities in the planning, development and management of community assets, including public land and buildings.

During the year we continued to ask local people what they thought about changes and improvements to our services, including the way we develop and manage community assets. Romsey Mill Trust took over the management and operation of Ross Street Community Centre and we continued to support community groups to manage Nuns Way Pavilion and Trumpington Pavilion and support the management of Clay Farm Centre.

We said we would maintain a high quality and accessible city centre environment by working with the County Council, Cambridge Business Improvement District and local retailers and businesses.

During the year we continued to work closely with local retailers and businesses involved within the Cambridge Business Improvement District; and with other key public realm stakeholders to maintain a high quality and accessible city centre environment.

This has included starting to plan for work on a major capital project to improve the Market Square as a key civic space and investing £20,000 on additional cycle parking.

£200m invested in capital projects to improve our environment

Romsey Mill Trust took over the running of **Ross Street Community Centre**

Started to plan for work to improve **Market Square**

We said that we would ensure that valuable green, natural and historic assets well-used by visitors and residents are protected and improved through the planning process.

During the year we have continued to apply the council's policies on protection and enhancement of the historic and natural environment with the adoption of Supplementary Planning Documents for Mill Road depot, Mitcham's Corner, Cromwell Road, the Grafton Centre and Land North of Cherry Hinton.

We have also made significant progress, including workshops with the community, on the development of the "Spaces and Movement" SPD, funded by the Greater Cambridge Partnership.

Implementing our new Local Plan policies, has seen minimum space standards for residential houses and a requirement for outside space for all new homes in the city, alongside policies for the protection of community facilities such as pubs. We concluded the work to review the Storeys Way conservation area in collaboration with Cambridge PPF and also celebrated the 50th Anniversary of the Central Area Conservation Area.

We said we would ensure that growth that balances economic success with quality of life and place (including in the design of new buildings) is supported, as set out in the current and emerging local plan strategy.

During the year we approved significant new developments at West Cambridge, saw awards for the quality of place created at Eddington and narrowly missed out on a Stirling prize for the Storey's field community building.

The Mitcham's Corner SPD was shortlisted for a national award for its collaborative approach to urban design. Meanwhile staff in the shared planning service received national recognition for their contribution to place-making.

The council also hosted visits by government commissions on housing delivery and beautiful buildings to showcase the quality of new development in Cambridge.

Started to develop a
**Spaces for
Movement** SPD

Celebrated the **50th**
Anniversary of the
Central Conservation Area

Saw an award for the quality
of place at

Eddington

We said we would work with Cambridge Live, Cambridge BID and Visit Cambridge & Beyond to develop and deliver a programme of outdoor public events and activities and to maximise the economic benefits from visits and tourism.

During the year, we worked with a range of local partners and event organisers to support the development and delivery of an extensive programme of outdoor public events and activities, including The North Pole ice rink; Mill Road Winter Fair and The Big Weekend.

We also, once again, worked with Cambridge BID to put on a successful summer programme of monthly outdoor film showings and associated night markets in front of The Guildhall.

We said we would implement the Council's new tree strategy and existing Council initiatives for improving tree numbers and quality, including increased promotion of the council's Trees for Babies scheme. We also said we would seek clarity and partnership working from the County Council in order to retain and improve roadside tree provision.

During the year, we continued to put in place our Tree Strategy action plan to protect, manage and enhance our city's tree stock.

We planted 312 new trees in our parks and open spaces and our Trees for Babies scheme provided 379 trees to parents.

We also undertook proactive inspections and works on around 8,000 trees we own and manage in public spaces. We launched our first interactive tree trail in Cherry Hinton Hall Park. We also processed 632 tree works applications for works to protected private trees and served 45 tree preservation orders.

312 new trees were planted

632 tree work applications processed

45 tree preservation orders were served

6. Protect essential services and transforming council delivery

We said we would develop, and start implementing, our Office Accommodation Strategy, working with shared service partners to achieve cost and carbon savings.

During the year our office accommodation moves were completed. Improvements in our accommodation in the Guildhall have enhanced its environmental performance, with newly insulated roof and solar PV installed.

Construction of new housing started on the former Mill Road Depot site almost immediately after its vacation and is now well advanced with over 200 new homes planned across the whole site. The sale of Hobson House has been agreed subject to planning approvals, with a capital receipt due upon completion.

We said we would generate more income from the commercial property portfolio through investment in new and existing property.

During the year we completed the acquisition of two further properties for £1.185m that will generate an additional income for the Council of £95,600 a year. Approval was obtained for an investment of £6m in Lion Yard Shopping Centre for a new hotel and food and beverage quarter.

We said we would implement, monitor and review shared ICT, Building Control and Legal Services.

During the year our shared services continued to develop their business plans and each presented annual reports to council committees, highlighting how they were meeting the needs of customers, responding to environmental concerns, and working efficiently, delivering savings to the three local authorities.

We said we would review existing, and explore new, opportunities for shared services.

During the year we continued to share aspects of our Finance service with South Cambridgeshire District Council but it was decided that we would not move to a fully integrated service.

Completed our **office accommodation** moves

£95,600 of additional income from new commercial property

The shared Head of Finance for both councils returned to working full time for the city council from the beginning of April 2019, rather than working across both councils.

We also looked at the business of Cambridge Live and both parties agreed that the contracted services run by Cambridge Live should return back to the direct control of the council from April 2019. The decision was made in the best interests of the beneficiaries of these services, and to ensure a successful and financially sustainable future for all cultural activity covered by the contract.

We said we would review current commercial activities and skills and invest in further developing them.

During the year we continued to review our contracts, seeking best value both for the customer and the council. The council continued to expand its traded service offer and is one of the very few, if not the only council to offer a fully traded procurement service. This traded offer has exceed budget forecasts in the first six months of trading and is set to expand, providing a much needed income stream where there was none before.

We said we would develop new business models to deliver sustainable commercial revenue streams to support essential council services, using the Council's "invest for income" fund where appropriate.

During the year we continued to develop our Bereavement Service to increase its ability to meet the needs of residents and help secure a revenue stream for the council.

This has seen a new access road to the crematorium built and opened, providing a much improved entrance to the crematorium. The service has also begun a project to build additional car parking and a café.

We said we would establish a new operational depot for our Streets & Open Spaces (S&OS) and Estates & Facilities.

During the year we successfully relocated our operational depot from Mill Road to Cowley Road.

Took back control of

Cambridge Live

Now offer a fully traded

Procurement Service

Successfully relocated our

operational depot

We said we would achieve service improvements and efficiencies by carrying out a comprehensive service review of Streets and Open Spaces.

During the year we undertook a number of 'invest to save' and income generation projects in the service, including investing in a 32 tonne grab lorry for transporting our waste (delivering a net saving of nearly £30,000 a year); and securing additional income from outdoor events and new commercial cleansing activities (saving nearly £50,000 per annum).

We said we would ensure customer contacts and queries are managed in a prompt, efficient and responsive way, adopting new self-service technologies to enable customers to access services 24/7.

During the year our customer service centre handled over 200,000 telephone calls, 58,500 face-to-face enquiries and 58,500 email transactions. We continued to maintain a high level of performance, with 86% of calls to us resolved at first point of contact and customer waiting times under our 10 minute target, at an average of 9 minutes 30 seconds. The number of transactions conducted through the internet has more than doubled over the past three years.

We said we would explore joined up working with neighbouring councils to deliver better services and results for Cambridge residents and businesses and deliver greater efficiencies.

During the year we continued to work with our shared service partners through 3C ICT to jointly procure replacement major business systems, which will be implemented over the next two years to support the delivery of Housing, Environmental Health, Planning, and Streets & Open spaces services. This will reduce costs and enable the re-design of services so more can be delivered digitally to our customers through our online customer portal.

We said we would seek to prot

ect residents' services despite the expected loss of 100% of the Council's core grant by 2020. We will develop and implement our 'Plan for 2020', a four year plan linked to obtaining funding certainty from the Government.

200,000 calls to our Customer Service Centre

86% of all calls to Customer Service Centre resolved at the first point of contact

36,000 internet customer transactions with us

<p>During the year we continued to deliver savings and increase our income from investments to ensure that front-line services are maintained as far as possible. We are also working to ensure that we deliver those services efficiently, minimising costs where we can. However, government is reviewing the way funding is allocated to councils, so we do not yet know how much we will receive in 2020/21, making it difficult to plan for the future.</p> <p><i>We said we would support the case for Cambridgeshire and Peterborough to jointly manage all the business rates generated in the county to tackle inequality across the county, and address the infrastructure and affordable housing deficit which is a risk to sustainable growth.</i></p> <p>During the year, with the other local authorities in Cambridgeshire, we applied unsuccessfully for the 2019/20 scheme. We are now waiting for the outcome of the government's work on the further development of the business rates retention scheme. When this is available, we will work with the other Cambridgeshire local authorities to ensure that funding is maximised across the county.</p> <p><i>We said we would press Government to retain the New Homes Bonus because providing additional new housing depletes council finances and the New Homes Bonus offers some compensation for these extra costs, ensuring that future growth is sustainable.</i></p> <p>During the year we monitored the progress of the Fair Funding Review being undertaken by government. We continue to press Government to provide adequate funding for the Council to meet the additional costs of providing services to our growing city.</p> <p><i>We said we would seek the best devolution settlement with Government, in partnership with other Cambridgeshire councils, the Greater Cambridge Greater Peterborough Enterprise Partnership and others.</i></p> <p>During the year we were successful in winning £227m in Housing Infrastructure Funding for North East Cambridge. The Combined Authority supported the City Council and Anglian Water's bid to relocate the waste water treatment plant works and to enable the development of a new mixed</p>	<p>Pressed government to provide</p> <p>adequate funding</p> <p>£227m won in Housing Infrastructure funding for North East Cambridge</p>
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use residential quarter for the city and commercial district. An Area Action Plan for the site and wider area is being developed by planning officers and a master developer for the site has been appointed. Good progress was also made with the £70m devolution deal affordable housing programme with 132 new affordable homes started on site in the year, and a further 34 achieving planning permission.

The Greater Cambridge Partnership worked with the combined authority to agree how the two organisations would work together on transport schemes, in particular the CAM Metro. The combined authority also considered the strategic business case for the metro in March 2019 and agreed that the outline business case for the scheme should now be commissioned.

We said we would explore opportunities to develop further the Council's investment strategy in property, housing, energy efficiency and renewable energy projects.

During the year we continued to deliver, as part of our Carbon Management Plan, an on-going programme to improve energy efficiency and reduce carbon emissions in our estate, including investment in the installation of renewable energy in the form of solar photovoltaic panels on seven of the council's buildings.

We also continued to ensure compliance with the Minimum Energy Efficiency Standards (MEES) Regulations of the Energy Act 2011 in respect of our commercial property.

7. Tackle climate change, and making Cambridge cleaner and greener

We said we would implement the actions in our Climate Change Strategy, reducing emissions from our own estate and our property portfolio.

During the year we have made significant improvements to the energy efficiency of the Guildhall including the installation of LED low energy lighting, double-glazing, a Building Management System to improve the control of the heating system, the replacement of roofing and additional insulation and energy efficiency improvements to the heating and hot water system. A solar photovoltaic (PV) system has been installed on the roof which will provide the building with electricity from a fossil-free source, reducing the electricity that is required from the electricity grid.

The council has also recently installed solar photovoltaic (PV) systems on seven of the council's buildings: Guildhall, Mandela House, Parkside Pool, Abbey Leisure Complex, Kings Hedges Pool, Crematorium, and Whitefriars Court. The systems have been installed through the use of the County Council's Refit 3 framework and will generate electricity for the buildings from renewable energy from the sun.

We continue to purchase electricity for our buildings through a green energy tariff which comes from 100% renewable sources.

The council's most recent Greenhouse Gas report (July 2018) showed that the Council's emissions in 2017/18 had fallen by 9.3% from the previous year, to 6,564 tonnes of carbon dioxide equivalent (tCO₂e).

Overall the council has reduced the carbon emissions from its buildings and services by 18.4% from the baseline year (2014/15), which means we have already achieved the target to reduce emissions by 15% by the end of March 2021.

100% of the electricity used in our buildings was from renewable sources

9.3% reduction in council CO₂ emissions

15% carbon emissions target achieved during the year

<p>Our new developments adhere to the Sustainability Standards outlined in the Cambridge Sustainable Housing Design Guide and the new Local Plan, for example, the new Community Centre planned on the Mill Road Depot is proposed as BREEAM Excellent, as required by the new Local Plan.</p> <p><i>We said we would work with residents, businesses and other organisations to reduce emissions in the city; including working with coach, bus and taxi operators to reduce vehicle emissions harmful to public health.</i></p> <p>During the year we implemented policies to move and support our licenced taxi fleet away from diesel and towards ultra-low emission powered vehicles. This has led to a rapid growth in the number of fully electric taxis operating in Cambridge, rising from 2 to 25 in the year and with significant further growth expected. To support this, we have led a project to develop a first phase rapid charging network for taxis with 6 of 21 proposed chargers now installed and operational. The exclusive use of renewable electricity supply for our rapid charger network has already lead to significant reductions in both Carbon and polluting emissions from taxi operations in the city.</p> <p>Working in partnership, with the Greater Cambridge Partnership, we also undertook a feasibility study into the development of a Clean Air Zone for Cambridge which, if implemented, would see significant restrictions on the use of diesel buses, taxis, delivery vehicles and private cars.</p> <p><i>We said we would adapt further to the impacts of climate change to increase the city's ability to cope with extreme weather, particularly for the most vulnerable.</i></p> <p>During the year we used the findings of the UK Climate Change Risk Assessment 2017 to produced and agree a new Climate Change Adaptation Plan 2018.</p> <p><i>We said we would work with local residents and businesses with the aim of increasing waste recycling rates and reduce total waste generated per capita.</i></p> <p>During the year our shared waste service engaged with local residents through face-to-face talks and presentations and</p>	<p>23 additional fully electric taxis in the city</p> <p>6 electric charging stations now installed and operational</p>
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service wide communications using social media, leaflets and magazines explaining the importance of recycling and how small changes can make a difference. This has helped increase the recycling rate to over 50% and reduce that amount of contamination by nearly 3%. The service also encouraged local businesses to recycle more of their trade waste and have been leading the Cambridgeshire and Peterborough Waste Partnership (RECAP) to help resolve current challenges.

The council also supported the charity Garden Organic to deliver six composting workshops in the city, training attendees on the benefits of composting, how to compost and informing them of the available waste collection services. We also supported Cambridge Sustainable Food to run waste reduction events as part of their Circular Cambridge activities. These included a Circular Cambridge Festival focussing on clothes and fashion, repair cafes, a CirculART trail promoting waste reduction and creative re-use, and two workshops to help groups set up their own 'Repair Cafes'.

We said we would provide high quality Green Infrastructure that enhances residents' quality of life.

During the year a series of Supplementary Planning Documents and guidance (SPDs) were formally adopted by the council following the adoption of the Local Plan. These SPDs (Mill Road Depot, Land North of Cherry Hinton, Grafton Centre and Mitcham's Corner) contribute towards shaping development in key parts of the city as part of the growth and regeneration agendas. They identify the opportunities for linkages to and in some cases the establishment of green infrastructure that integrates biodiversity and drainage needs and ensures that future communities will have access to greenspace and facilities that help to support healthy and active lifestyles.

We said we would ensure that new developments meet the council's policies for sustainable construction and energy and water efficiency.

During the year we have continued to apply the council's policies relating to carbon reduction and renewable energy provision as part of new developments. Policy 8/16 of the

Supported local communities
to **improve**
recycling

Adopted a SPD to shape key
developments in the city to
ensure **future**
communities have
access to green
space and facilities

2006 Local Plan was implemented 41 times, and as with previous years, photovoltaic panels have proved to be the most common technology used

Planning conditions to secure water efficiency standards have been recommended for 21 residential schemes and 13 non-residential schemes.

We also applied our sustainable construction standards for new homes and a further 186 units at Lot S3 of the Eddington development have been brought forward at Level 5 of the Code for Sustainable Homes.

All development at the Mill Road Depot are meeting the carbon reduction and water efficiency requirements set out in the HDA's Housing Design Guide. For development on land north of Cherry Hinton, the outline planning application for this site proposes to bring forward some units to the Passivhaus standard in order to meet the policy requirement for this site to be an exemplar in sustainability.

We said we would ensure that new developments provide the open space and recreational facilities that residents need.

During the year the award winning Storeys Field Community Centre opened its doors. The council has continued to ensure that new developments commit to delivering the adopted policies in the Local Plan to achieve appropriate open space and recreational facilities.

We also consulted on a vision for North East Cambridge which places the importance of creating a genuinely sustainable new community alongside objectives of providing for new homes and economic growth.

We said we would implement and develop the shared waste service with South Cambridgeshire District Council.

During the year the service continued to develop and achieved an extremely high success collection rate, with over 99.77% of bin collections taking place on the scheduled collection day in the year.

The service also focused on plastic this year and provided

Successfully **applied our sustainable construction standards** to new homes in the city

51% of household waste diverted from landfill

99.78% household bins collected as planned

advice on how single use plastic can be reduced and how plastic can be better recycled. This has included being involved with national media activities to share local best practise.

We said we would review and improve cleanliness of streets and public open spaces and provide greater opportunities for the public to influence decisions on cleansing and enforcement in order to target Cambridge's most challenging locations.

During the year, we responded to 429 abandoned vehicle investigations and removed and disposed of 40 unclaimed vehicles.

Our seven-day-a-week, 365-day-a-year street cleansing service emptied over 1,600 street litter and recycling bins and 200 dog waste bins each week across the city.

During the peak summer season, between May and September, we continued to invest in a second dedicated parks' cleansing team to empty the waste bins and litter pick our main city centre parks seven days a week.

We said we would work with the police to identify the small number of people responsible for repeat graffiti around the city, and tackle this costly anti-social behaviour.

This year, our dedicated graffiti team has continued to investigate and respond to reports of graffiti. Working seven days a week across the city, we responded to 311 reports of offensive and detrimental graffiti, and cleansed the affected areas.

We also continued to identify graffiti "hot spots" and work with the Police to help identify the small number of people responsible for repeat graffiti around the city, providing evidence where we could.

429 reports of abandoned cars investigated

1,600 street litter and recycling bins were emptied in our parks and open spaces

311 reports of offensive and detrimental graffiti were responded to

Cambridge City Council Corporate Plan 2016 to 2019

Key Performance Indicator performance 2018/19 (compared to 2015/16 baseline)

Legend



An improvement in performance has been seen compared to baseline



Performance has stayed about the same compared to baseline



A drop in performance has been seen compared to baseline

Key Performance Indicator	Lead officer	Baseline 2015/16 figure	2016/17 figure	2017/18 figure	2018/19 figure
The basket of indicators in our Anti-poverty Strategy, including Number of Housing Benefit and Council Tax Reduction claimants and their dependents	David Kidston + Naomi Armstrong	2,447 ¹ claims with dependent children	2,379 ² claims with dependent children 	Mapping Poverty Review of administrative records is prepared bi-annually and so, not available this year	The Council's Housing Benefit claimant count no longer represents the whole HB claimant population with the natural migration to Universal Credit of some claimants.
Council Tax in-year collection rates	Kevin Jay	97.6%	97.4% 	97.7% 	98% 
Benefit speed of processing (target 16 days)	Naomi Armstrong	15 days	13 days 	14.4 days 	11 days 

¹ From Mapping Poverty 2015 report

² Extract from Mapping Poverty 2017 report, using February 2017 administrative records

Key Performance Indicator	Lead officer	Baseline 2015/16 figure	2016/17 figure	2017/18 figure	2018/19 figure
Housing rent collection rates	David Greening	98.5%	98.75% 	97.86% 	97.70% 
Numbers of additional people who meet one or more of the Digital Inclusion Outcomes Framework indicators as a result of the City Council's Digital Inclusion Strategy interventions	David Kidston	79	240 	908 	323 
Number of visits to community centres from priority groups	Debbie Kaye	114,960	122,485 	110,068 	140,302 
Percentage of households in Cambridge experiencing fuel poverty	Jo Dicks	12.1% (2013)	11.3% (2014) 	10.7% (2015) 	11.5% 
Total number of housing completions	Sara Saunders	715 (2014/15 AMR)	892 (2015/16 AMR)	1,178 (2016/17 AMR)	1,152 (2017/18 AMR)
Awards for the quality of new developments	Jonathan Brookes	3 in 2014/15 0 in 2015/16	9 in 2016/17 	10 in 2017/18 	20 in 2018/19 
Number of Affordable Housing completions	Julian Adams	199	415, including growth sites, council land and other sites	431, including growth sites, council land and other sites	127, including growth sites

Key Performance Indicator	Lead officer	Baseline 2015/16 figure	2016/17 figure	2017/18 figure	2018/19 figure
Number of new homes completed on City Council land	Helen Reed	62	75 for rent and shared ownership	143 for rent and shared ownership	17 conversions at Ditchburn Place
Planning application performance targets	Joely Day	(major) 97%	95% 	99% 	100% 
		(minor) 74%	86% 	88% 	80% 
		(other) 79%	91% 	94% 	91% 
Local Plan delivery timetable	Sara Saunders	Responding to Inspectors' letter, on track	In examination, on track	In examination, on track	Successfully adopted
Number of families helped to prevent homelessness	David Greening	787	1,112 	1,240 	261 ³ 
Numbers of Fixed Penalty Notices issued	Nick Kester	193 (litter) 289 (total)	374, 551 	472 603 	392 662 
Numbers of Anti-Social Behaviour incidents	Lynda Kilkelly	1,504 (279 featuring begging / homelessness)	1,215 (223 featuring begging/homelessness) 	1,358 (643 featuring begging/homelessness) 	523 ⁴

³ The Government has amended the definition of recorded homelessness preventions, which has led to a lower recorded figure than last year.

⁴ Number of ASB cases triaged by Safer Communities Team. Previously ASB included street life incidents, which are no longer collated by County Research Group and made available.

Key Performance Indicator	Lead officer	Baseline 2015/16 figure	2016/17 figure	2017/18 figure	2018/19 figure
Numbers walking, cycling or using public transport to get to work (using radial surveys)	Louisa Gostling, County Council	173,895 Cars 10,978 Cycles 3,764 Pedestrians 3.52m P&R 3.65m Busway	174,473 Cars 13,023 Cycles 4,169 Pedestrians 3.14m P&R 3.76m Busway 	171,309 ⁵ Cars 10,861 Cycles 3,428 Pedestrians 3.03m P&R 3.99m Busway 	169,713 ⁶ Cars 11,996 Cycles 4,529 Pedestrians 3.25m P&R 4.23m Busway 
Numbers using Council car parks (MSCPs)	Sean Cleary	2,438,741	2,412,751 	2,399,477 	2,238,094 
Average journey & commute times	Louisa Gostling, County Council	5 minutes 51 seconds per mile i.e. an average speed of 10.3 mph	5 minutes 44 seconds per mile i.e. an average speed of 10.5 mph 	5 minutes 29 seconds per mile i.e. an average speed of 10.9 mph 	Not available for final report deadline.
City Deal projects delivery programme – “on-track and on-budget”	Rachel Stopard	On target	On target 	On target 	On target 
Total number of swimming and non-swimming visits to Council sports facilities	Ian Ross	532,892 222,869	595,306  194,839 	602,358  205,840 	578,581  208,703 

⁵ Numbers crossing the radial cordon

⁶ Numbers crossing the radial cordon

Key Performance Indicator	Lead officer	Baseline 2015/16 figure	2016/17 figure	2017/18 figure	2018/19 figure
Numbers of entries to Council-owned leisure facilities by people holding concession membership	Ian Ross	29,531	48,994 	31,422 	113,023 
Number of children attending free swimming lessons	Ian Ross	290	3,030 	3,100 	2,304 
Operational property costs [OAS]	Philip Doggett	£1.439m	£1.590m 	£1.780m 	£1.691m 
Space per capita	Dave Prinsep	16.43m ²	16.43m ² 	Figure not available due to consolidation of transition phase	12.27m ² 
Staff satisfaction with tools they need (accommodation, ICT and other support) to do their jobs efficiently, achieve better work/life balance	Deborah Simpson	48% (flexible working, from staff survey)	48% (flexible working, from staff survey) 	63% (support for flexible working, from Staff Survey 2017) 	63% (support for flexible working, from Staff Survey 2017) 
Total income from commercial property	Philip Doggett	£7.871m	£8.946m 	£9.941m 	£10.203m 

⁷ Staff Survey is carried out every other year, so this is the latest figure available

Key Performance Indicator	Lead officer	Baseline 2015/16 figure	2016/17 figure	2017/18 figure	2018/19 figure
Net revenue savings [<i>as per transformation business cases</i>] ⁸	Paul Boucher	£155,984	There are no net revenue savings this year from transformation business cases and one-off costs amount to £216,000 	£620,000 the on-going net revenue savings achieved when implementation is substantially complete 	£280,600 saving 
Council's own emissions	David Kidston	7,584 tCO ₂ e ⁹	7,234 tCO ₂ e 	6,564 tCO ₂ e 	To be calculated for BEIS in July.
Per capita emissions in city	David Kidston	4.7 tonnes CO ₂ per capita (2014)	4.2 tonnes CO ₂ per capita (2015) 	4.5 tonnes CO ₂ per capita (2016) 	Data for 2017 not yet published
Number of low emission vehicles	Dave Cox [fleet]	1	9 	10 	10 
	Jo Dicks [citywide taxi]	32	49 	53 	79 
Waste volumes & recycling rates		43.3%	46.3% 	49.6% ¹⁰ 	51% 

⁸ From 2016/17 the KPI net revenue savings delivered from transformation business cases will be reported as two items (a) the on-going net revenue savings achieved when implementation is substantially complete and (b) the one-off costs associated with the delivering the transformation business cases.

⁹ Figure reported for 2015/16 was 7,371 tCO₂e, which was an estimate.

¹⁰ Is the combined rate for the Cambridge City and South Cambridgeshire area, provided by the shared service moving forward

Key Performance Indicator	Lead officer	Baseline 2015/16 figure	2016/17 figure	2017/18 figure	2018/19 figure
Air quality at the city's main monitoring points (no of non-compliant monitoring locations NO2)	Jo Dicks	7/61	5/63 	1/63 	0/63 ¹¹ 
Hectares of green space/ numbers of trees/ metres of sustainable drainage	Joel Carre	Approx. 325 Ha parks & open spaces managed by city out of approx. 750 total in city and approx. 30,000 trees on land managed by Council tree team 100% planning apps have sustainable drainage ¹²	Approx. 325 Ha parks & open spaces managed by city out of approx. 750 total in city and approx. 30,200 trees on land managed by Council tree team 100% planning apps have sustainable drainage 	Approx. 325 Ha parks & open spaces managed by city out of approx. 750 total in city and approx. 30,200 trees on land managed by Council tree team 100% planning apps have sustainable drainage 	Approx. 325 Ha parks & open spaces managed by city out of approx. 750 total in city and approx. 30,200 trees on land managed by Council tree team 100% planning apps have sustainable drainage 

¹¹ No monitoring stations out of the 63 recorded NO2 for the first time

¹² Metres not recorded; all planning apps have to have sustainable drainage schemes

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Item

Cambridgeshire and Peterborough Combined Authority - Update

To:

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and External Partnerships

Strategy & Resources Scrutiny Committee 1 July 2019

Report by:

Antoinette Jackson, Chief Executive

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

Wards affected:

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

Not a Key Decision

1. Executive Summary

- 1.1 This report provides an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 25 March 2019 meeting of Strategy & Resources Scrutiny Committee. Mayor Palmer attended the meeting.

2. Recommendations

- 2.1 The Executive Councillor is recommended:

To provide an update on issues considered at the meetings of the Combined Authority held on 27 March, 29 May and 26 June 2019.

3. Background

- 3.1 Meetings of the Cambridgeshire and Peterborough Combined Authority were held on 27 March, 29 May and 26 June 2019. The decision sheets from the meetings are attached as appendices for the committee's consideration.

4. Implications

- (a) **Financial Implications**
- (b) **Staffing Implications**
- (c) **Environmental Implications**
- (d) **Procurement**
- (e) **Community Safety**

There are no implications from this update report in relation to any of the categories listed above

- (f) **Equality and Poverty Implications**

An EqlA has not been produced as there are no direct equality and poverty implications from this update report.

- (g) **Consultation and communication**

The Combined Authority will continue to issue communications about its activities and consult on its work.

5. Background papers

- 5.1 The background papers used in the preparation of this report are listed in the appendices below.

6. Appendices

Appendix A Decision sheet for CPCA meeting 27.03.19

Appendix B Decision sheet for CPCA meeting 29.05.19

Appendix C Decision sheet for CPCA meeting 26.06.19 (to follow)

7. Inspection of papers

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



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 27 March 2019

Published: 1 April 2019

Decision review deadline: 8 April 2019

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Announcements, Apologies and Declarations of Interest	Apologies were received from Aamir Khalid (substituted by Professor Andy Neely)
1.2	Minutes – 27 th February 2019	It was resolved to: Approve the minutes of the meeting of 27 th February 2019 as a correct record.
1.3	Petitions	None received.

1.4	Public Questions	Four questions were received. A summary of the questions and responses is published at the following link - Combined Authority: Public Questions
1.5	Forward Plan	It was resolved to note the Forward Plan.
1.6	Designation of Statutory Officer	It was resolved to: Designate Emma Powley as Scrutiny Officer for the duration of the maternity leave of the current officer.
Part 2- Employment Committee Recommendations to the Combined Authority		
2.1	Appointment of Chief Executive and Monitoring Officer	It was resolved to: a) Extend the existing appointment of the interim joint Chief Executives, John Hill and Kim Sawyer, until the annual meeting in May 2019; b) Appoint Mr Howard Norris as the Monitoring Officer until the annual meeting in May 2019.
Part 3- Finance		
3.1	Budget Monitor Update	It was resolved to: Note the financial position of the Combined Authority for the year to date.
Part 4- Combined Authority Matters		
4.1	Strategic Spatial Framework Phase 2	It was resolved to: a) Approve the Business Case for establishing a Combined Authority Trading Company (CATC) as detailed in Appendix 1; b) Approve the Combined Authority Trading Company Business Plan and as detailed in Appendix 2;

		<ul style="list-style-type: none"> c) Approve the Housing Development Company (DevCo) business plan as detailed in Appendix 3 d) Approve the funding strategy for the Housing Development Company (paragraph 6); e) Approve the composition of the CATC Board as set out in Appendix 2 (ref: P8 para 4.1.1 and P9 para 4.1.2); <p>Furthermore, in order to implement a)-c), authorise and approve:</p> <ul style="list-style-type: none"> f) The Chief Executive to enter into a loan agreement with CATC as detailed in paragraph 6; g) The Chief Executive and the Corporate Services Director to complete the necessary legal documentation to implement the above.
	<p>CAM Metro - Strategic Outline Business Case</p>	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note that the CAM SOBC has been founded upon CPIER growth scenarios as set out in section 2.6 to 2.9. b) Note the strong strategic and economic case made in the SOBC for the CAM and that this case has been made drawing upon only 50% of the total potential economic growth in the CPIER report. c) Note the links between the timeline of the CAM outline business case and the Non-Statutory Spatial Plan. d) Agree that the funding solution for the CAM will be drawn from blend of sources as set out in section 3.9. e) Agree to release £1m of funding from the 2019/20 budget for the procurement and development of the Outline Business Case, the accompanying technical packages (including funding) and programme of stakeholder engagement.

		<p>f) Agree to delegate authority to the Chief Executive, in consultation with the Chair of the Transport and Infrastructure Committee, to enter into the contractual relationships following the procurement of the external consultants required to undertake the Outline Business Case and accompanying technical packages</p>
4.3	A10 Corridor- Strategic Outline Case and Next Steps	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the results of the A10 Corridor Strategic Outline Case and associated reports. b) Agree to release £500k of funding from the 2019/20 budget for the procurement and development of the Strategic Outline Business Case (SOBC) for: <ul style="list-style-type: none"> i. the A10 Dualling Project; ii. A10 junction improvement projects. c) Note the additional projects related to the A10 Corridor (Modal-shift interventions and junction improvements), and that if necessary business cases for these projects will be brought forward separately. d) Approve the approach towards engaging with the Department for Transport on funding streams for the A10; e) Approve the commencement of procurement of a professional services consultancy to undertake the work required to progress to SOBC for: <ul style="list-style-type: none"> i. A10 Dualling; ii. A10 junction upgrades. f) Delegate Authority to the Chief Executive, in consultation with the Chair of the Transport and Infrastructure Committee, to agree and proceed with the appointment of a professional services consultancy following the completion of an appropriate procurement procedure.

4.4	Bus Reform Task Force - Governance and Subsidies	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the governance arrangements for the Bus Reform Task Force including proposals for member engagement; b) Approve the work required to design and implement a system for the evaluation and award of bus subsidies c) Approval to draw-down up to £400k, of the £1m allocated within the 2019/20 budget, to commence the work of the Bus Reform task force including preparing the brief, bus subsidy assessment framework and procuring external consultancy support for the business case. d) Delegate authority to the Transport Committee to spend funding within the allocated £1M budget upon recommendation from the Bus Reform Task Group.
4.5	Cambridge South Station (Interim Solution)	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Release the £100k allocated in the 2019/20 budget under the <i>Cambridge South Station – Interim Concept</i>; b) Delegate authority to the Chief Executive to appoint an external consultant to deliver a Cambridge South Station – Interim Station Study following the conclusion of the procurement process.
4.6	Huntingdon Third River Crossing	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Agree to release £200k of funding from the 2019/20 and carry forward £198k from 2018/19 for the procurement and development of the Huntingdon Third River Crossing feasibility study; b) Delegate authority to the Chief Executive, in consultation with the Chair of the Transport and Infrastructure Committee, to enter into the contractual relationships following the procurement of the external consultants required to undertake the study.

4.7	A505: Strategic Study	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Endorse the commissioning of a multi-modal strategic transport study for the A505 corridor; b) Release to CCC the £1m allocation within 2018/19 capital budget; c) Agree the project inception and instruct officers to commence the procurement by competitive tender of this work; d) Following the completion of the procurement, delegate authority for contract award to the Chief Executive Officer, in consultation with the Chair of the Transport and Infrastructure Committee.
4.8	Adult Education Budget: Delegation of Grant Provision for 2019/20 Academic Year	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Provide delegated authority to the Director of Business and Skills, in consultation with the Chair of the Skills Committee, to award Grants to the 12 Grant Funded Providers of AEB upon successful completion of Delivery Plans including a variance of up to a 25% on the condition that a new learning aim or approach is demonstrated in line with the Cambridgeshire and Peterborough Combined Authority (CPCA) Strategic Priorities.
4.9	Monitoring and Evaluation Framework	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Agree the 2019 Monitoring & Evaluation Framework for the Combined Authority. b) Note the resource implications for effective Monitoring & Evaluation to be delivered alongside the Combined Authority's major projects.

	Part 5 – Business Board/Committee Recommendations to the Combined Authority	
5.1	Growth Deal Project Proposals March 2019	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve Applicants 2 and 3; b) Note that Applicants 1 and 4 had been asked to bring forward further detail to enable a final approval decision.
5.2	Local Industrial Strategy	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Cambridgeshire and Peterborough Industrial Strategy to the Combined Authority Board for approval b) Delegate authority to the Business Board and the Director of Business and Skills, in consultation with the Chair of the Housing and Communities Committee, to take the Industrial Strategy through the remaining stages of national sign-off, and refine.
5.3	Growth Programme Update	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the accumulative and in-year programme position to 28 February 2019 for Growth Deal and Growing Places Fund. b) Agree the submission of the Growth Deal monitoring report to Government to end Q3 2018/19.
5.4	Assurance Framework	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Agree the revised single Assurance Framework which is in line with the Ministry of Housing, Communities & Local Government’s revised National Local Growth Assurance Framework for Mayoral Combined Authorities with a Single Pot and Local Enterprise Partnerships.

	Part 6- Motion Submitted under Proceedings of Meetings Rule 14	
6.1	Motion from Councillor Bridget Smith	On being put to the vote, the Motion was lost.
	Part 7 – Date of Next Meeting	
7.1	Wednesday 29 May 2019, Council Chamber, The Grange, Nutholt Lane, Ely, CB7 4EE	

Notes:

- (a) Statements in bold type indicate additional resolutions made at the meeting.
- (b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

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For more information contact: Richenda Greenhill at Richenda.Greenhill@cambridgeshire.gov.uk or on 01223 699171.



**CAMBRIDGESHIRE
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CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 29th May 2019

Published: 3rd June 2019

Decision review deadline: 10th June 2019

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Announcements, Apologies and Declarations of Interest	<p>Apologies were received from J Bawden, Councillor S Count (substituted by Councillor R Hickford) and Councillor D Over.</p> <p>Declarations of non-pecuniary interest were made during the course of the meeting by Councillor J Holdich in relation to Item 4.2: Greater Peterborough Inward Investment Pilot and Item 5.2: Creation of Cambridgeshire and Peterborough Employment and Skills Board, Incorporating Skills Advisory Panel and Adult Education Budget Governance Arrangements as a member of the Opportunity Peterborough Board. A declaration on non-pecuniary interest was made by Councillor Herbert in relation to Item 5.3: University of Peterborough – Outcome of</p>

		Review and Reflect Leading to the Progression of an Outline Business Case as he was until recently an employee of Anglia Ruskin University.
1.2	Minutes – 27 March 2019	It was resolved to: Approve the minutes of the meeting of 27 March 2019 as an accurate record.
1.3	Petitions	None received.
1.4	Public Questions	None received.
1.5	Forward Plan	It was resolved to note the Forward Plan.
1.6	Membership of the Combined Authority	It was resolved to: a) Note the Members and substitute Members appointed by constituent councils to the Combined Authority for the municipal 2019/2020 (tabled) . b) Appoint the Business Board’s nominations as Member and substitute Member to represent them on the Combined Authority for the municipal year 2019/20 c) Confirm that the following bodies be given co-opted member status for the municipal year 2019/20: i) The Police and Crime Commissioner for Cambridgeshire; ii) Cambridgeshire and Peterborough Fire Authority iii) Cambridgeshire and Peterborough Clinical Commissioning Group d) Note the named representative and substitute representative for each organisation as set out in the report e) Agree that the late notifications of appointments to the Monitoring Officer shall take immediate effect

		<p>f) Delegate authority to both the Audit and Governance Committee and the Overview and Scrutiny Committee the power to appoint a single co-opted member (and substitute) to each Committee to represent the number of independent members elected across constituent councils.</p>
1.7	Appointments to Executive Committees, appointment of Chairs and Portfolio Holders	<p>It was resolved to:</p> <p>a) Note and agree the Mayor's nominations to Portfolio Holder responsibilities and the membership of the committees including the Chairs of committees for 2019/20 or until such time as the revised governance arrangements are approved, as set out in Appendix 1 (tabled).</p>
1.8	Appointment of the Overview and Scrutiny Committee	<p>It was resolved to:</p> <p>a) Confirm that the size of the Overview and Scrutiny Committee should be 14 members; two members from each constituent council and two substitute members for the municipal year 2019/2020;</p> <p>b) Approve the amended political party representation on the Overview and Scrutiny Committee;</p> <p>c) Confirm the appointment of the Member and substitute Member nominated by constituent councils to the Overview and Scrutiny Committee for the municipal year 2019/2020 as set out in Appendix 2 of the Addendum report (tabled);</p> <p>d) To agree that the Overview and Scrutiny Committee consider the co-option of an independent member from a Constituent Council</p>
1.9	Appointment of the Audit and Governance Committee	<p>It was resolved to:</p> <p>a) Confirm that the size of the Audit and Governance Committee should be eight members; one member and one substitute from each Constituent Council and one independent person for the municipal year 2019/2020;</p> <p>b) To agree the political balance on the committee as set out in Appendix 1;</p>

		<ul style="list-style-type: none"> c) Confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Committee for the municipal year 2019/2020 as set out in Appendix 2 (tabled); d) Appoint a Chair and Vice Chair of the Audit and Governance Committee for the municipal year 2018/2019; e) To agree that the Audit and Governance Committee consider the co-option of an independent member from a Constituent Council.
1.10	Management of the Cambridgeshire and Peterborough Combined Authority	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the appointment of John Hill and Kim Sawyer as Joint Chief Executive of the CPCA with immediate effect b) Review these arrangements by 31 May 2021 c) Appoint Jon Allsop as the Section 73 Chief Finance Officer to the CPCA; d) Approve the appointment of Dermot Pearson as the Interim Monitoring Officer.
1.11	Calendar of Meetings 2019/20	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Calendar of Meetings for 2019/2020 subject to the outcome of the review of the Constitution to be report in June 2-19 (Appendix 1)
1.12	Members' Allowances Scheme	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Review the Members' Allowances Scheme (Mayor's and other Allowances) b) Agree the scheme for the Mayoral allowance as set out in Appendix 1 and summarised in para 2.6 (a) to (c);

		<p>c) Agree the scheme for the allowances/expenses to those appointed to any independent commissions set up by the Combined Authority Commission as set out in Appendix 1 and summarised in para 2.7 (a) to (d);</p> <p>d) Agree:</p> <p>(i) That the Combined Authority make representations to Central Government for the role of Mayor to be regarded as fixed-term contract employment that is pensionable.</p> <p>(ii) That the Constituent Authorities IRPs be requested to consider the payment of allowances to their Members serving on the Combined Authority, due to the statutory prohibition on the Combined Authority to pay such allowances.</p> <p>e) Consider the payment of allowances/expenses to those appointed to any independent commissions</p>
.13	Quarterly Performance Reporting	<p>It was resolved to:</p> <p>Note the May Delivery Dashboard</p>
	Part 2- Finance	
2.1	Budget: Provisional Outturn	<p>It was resolved to:</p> <p>a) Note the provisional outturn position against budget for the year to 31 March 2019.</p> <p>b) i. Approve the carry forward of £616,400 of revenue budget underspends to increase the 2019/20 budget and deliver the outcomes identified;</p> <p>ii. Approve the carry forward of capital underspends identified in paragraphs 2.8 to 2.16</p> <p>c) Note progress being made in the preparation and audit of the draft Statement of Accounts for 2018/19.</p>

Part 3- Combined Authority Decisions										
3.1	£100m Affordable Housing Programme- Scheme Approvals: May 2019 - Belle Vue, Stanground, Peterborough	<p>It was resolved to:</p> <p>a) Commit grant funding of £735,000 from the £100m Affordable Housing programme to support conversion of 21 new homes from Open Market sale to Affordable Rent at Belle Vue, Stanground, Peterborough.</p>								
3.2	£70m Cambridge City Council Affordable Housing Programme- 2019/20 Budget	<p>It was resolved to:</p> <p>a) Note the revised expenditure profile in respect of the £70 million Affordable Housing Programme led by Cambridge City Council, as part of the £170 million Affordable Housing Programme</p> <p>b) Approve a carry forward of £1,505,274 from the approved 2018/19 budget into the 2019/20 financial year</p> <p>c) Approve 2019/20 budget provision of £19,102,771, giving a total budget of £20,608,045 once the carry forward from 2019/20 is included to enable the programme to continue.</p>								
3.3	Local Highways Maintenance Capital Grant Allocation 2019/20	<p>It was resolved to:</p> <p>a) The Combined Authority Board was consulted regarding the Mayor's intention to allocate grants totalling £23,541,459 to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula as set out in the table below.</p> <p>b) The Mayor approved the allocation of grants as set below:</p> <table border="1" data-bbox="801 1214 1738 1436"> <thead> <tr> <th>Constituent Council</th> <th>Allocation /£</th> </tr> </thead> <tbody> <tr> <td>Peterborough City Council</td> <td>4,958,107</td> </tr> <tr> <td>Cambridgeshire County Council</td> <td>18,583,352</td> </tr> <tr> <td>Total</td> <td>£23,541,459</td> </tr> </tbody> </table>	Constituent Council	Allocation /£	Peterborough City Council	4,958,107	Cambridgeshire County Council	18,583,352	Total	£23,541,459
Constituent Council	Allocation /£									
Peterborough City Council	4,958,107									
Cambridgeshire County Council	18,583,352									
Total	£23,541,459									

3.4	Delegation of Passenger Transport Powers	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Agree the delegation of transport powers to Cambridgeshire County Council and Peterborough City Council for the 2019/2020 financial year as set out in paragraph 2.7 (a).
3.5	Public Consultation on the Draft Local Transport Plan	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the draft Local Transport Plan for the Cambridgeshire and Peterborough Combined Authority and approve consultation on the basis of the draft. b) Delegate authority to the Chief Executive, in consultation with the Chair of the Transport Committee, to allocate funding for public consultation from the 2019/20 Local Transport Plan Budget allocation and make non-material drafting improvements in line with Board Members' views to the draft Local Transport Plan before public consultation.
3.6	Non-Statutory Strategic Spatial Framework Phase 2 – Public Consultation	<p>The report was withdrawn.</p>
3.7	Connecting Cambridgeshire	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the progress of the Digital Connectivity Programme during 2018/19 and outline objectives for 2019/20. b) Endorse the proposal to include provision of fibre ducting in all future CPCA area transport schemes as part of the forthcoming Local Transport Plan. c) Endorse the proposed increase to the full fibre coverage target to over 30% coverage by 2022 within the existing programme budget.

	Part 4- Recommendations from the Business Board	
4.1	<p>For approval as Accountable Body:</p> <ul style="list-style-type: none"> i. Growth Deal Project Proposals May 2019 (Key Decision) ii. Growth Programme Budget Monitor iii. Annual Delivery Plan 	<p>It was resolved to:</p> <ul style="list-style-type: none"> 1. Growth Deal Project Proposals May 2019 <ul style="list-style-type: none"> a) Approve those schemes recommended by the Business Board at its meeting on 28 May 2019. 2. Growth Programme Budget Monitor <ul style="list-style-type: none"> a) Agree the submission of the Growth Deal monitoring report to Government to end Q4 2018/19. b) Agree the launch and to note the spec of call for next round of Local Growth Fund (LGF) projects. 3. Annual Delivery Plan <ul style="list-style-type: none"> a) Note the final Annual Delivery Plan for 2019-20.
4.2	Greater Peterborough Inward Investment Pilot	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Consider the proposal for a pilot one-year inward investment service for Greater Peterborough area; and b) Approve the one-year contract funds to Peterborough City.
4.3	Growth Company Strategic Outline Business Case	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the development of an Outline Business Case for September 2019; b) Authorise Officers to form a Company Limited by Guarantee in June 2019;

		<p>e) Agree the funding strategy for the services and authorise Officers to:</p> <p>i) submit proposals for external funding to Local Growth Fund, Growing Places Fund, European social Fund and European Regional Development Fund</p> <p>ii) submit, through the subsequent Outline Business Case proposals for internal funding from within the already agreed Medium Term Financial Plan of the Business Board and its Enterprise Zone receipts.</p>
4.4	Assurance Framework	<p>It was resolved to:</p> <p>a) Agree the revised single Assurance Framework (tabled), which is in line with the Ministry of Housing, Communities & Local Government's revised National Local Growth Assurance Framework for Mayoral Combined Authorities with a Single Pot and Local Enterprise Partnerships.</p>
	Part 5 – Recommendations from the Skills Committee	
5.1	Creation of Cambridgeshire & Peterborough Employment & Board Incorporating Skills Advisory Panel and Adult Education Budget Governance Arrangements.	<p>It was resolved to:</p> <p>a) Agree to the creation of a Cambridgeshire & Peterborough Employment & Skills Board</p> <p>b) Agree to the proposed Cambridgeshire & Peterborough Employment & Skills Board Terms of Reference</p> <p>c) Approve the proposed Terms of Reference and Governance.</p>
5.2	Skills Brokerage Contract and Future of the Careers and Enterprise Company Contract for Cambridgeshire and Peterborough	<p>It was resolved to:</p> <p>a) Agree to the grant of £272,500 for Skills Brokerage to Peterborough City Council as accountable body for Opportunity Peterborough for the delivery of the Skills Contract.</p>

		<ul style="list-style-type: none"> b) Agree to a revised contract with CEC to August 2020 and linking the match funding provided to Peterborough City Council for Opportunity Peterborough. c) Agree to the grant of £37,500 to Form the Future, funded via the revised CEC contract, to provide 50% funding for 1.5 Full Time Equivalents for Cambridge and South Cambridgeshire skills brokerage delivery.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 98</p>	<p>5.3 University of Peterborough- Outcomes of Review and Reflect leading to the progression of an outline Business Case</p>	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the findings of the reviews that recommend the way forward for the University of Peterborough to be developed to meet the outcomes of the Cambridgeshire and Peterborough Independent Economic Review, Local Industrial and Skill Strategy; b) Approve: <ul style="list-style-type: none"> i. Running an academic partner review, comparison and selection process that includes PRC, ARU and others. ii. Release £300,000 of capital funding identified in the 2019/20 Capital Programme to deliver items 3 and 5 of the programme outlined in Table B in the report and power is delegated to the Chief Executive, in consultation with the Chairman of the Skills Committee, to approve/agree Officer Decision Notices to maintain the momentum in project delivery for items 3 of Table B – Timescales for commitment and spend of funding. Progress will be reported back to the Skills Committee in July 2019. iii. The release of £235,000 from the non-transport feasibility funding in the revenue budget for 2019/20 to deliver items 1, 2, 4 and 6 in Table B in the report and power is delegated to the Chief Executive, in consultation with the Chairman of the Skills Committee, to approve/ agree Officer Decision Notices to maintain the momentum in project delivery for items 1, 2 and 4 of table B – Timescale for commitment and spend of funding. Progress will be reported back to the Skills Committee in July;

		<ul style="list-style-type: none"> iv. The Action plan and Timescales set out, noting they both enable meeting the original objective of 2000 students on the Embankment site by 2022. v. Officers procuring expert consultants to support the execution of that Action plan to these timescales; vi. A review, through the Outline Business Case Process, of the current assumptions regarding: <ul style="list-style-type: none"> a) The level of CPCA capital investment in the build; and b) The Governance Process of the University Programme. c) Delegate authority to the Chief Executive to enter into the contractual relationships following the procurement of the external consultants required to undertake the activities specified. d) The definition of the University as set out in 2.5 of the report.
99	Skills Strategy	<p>It was resolved to:</p> <p>Approve and adopt the Skills Strategy at Appendix A of the Business Board report.</p>
	Part 6 – Date of Next Meeting	
6.1	Wednesday 26 June 2019 at 10.30am, Kreis Viersen Room, Shire Hall, Cambridge, CB3 0AP	

Notes:

- (a) Statements in bold type indicate additional resolutions made at the meeting.
- (b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Richenda Greenhill at Richenda.Greenhill@cambridgeshire.gov.uk or on 01223 699171.



Item

Strategy & Resources Scrutiny Committee

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Strategy & External Partnerships Portfolio

To:

Councillor Herbert, Executive Councillor for Strategy & External Partnerships

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,

Key Decision

1. Executive Summary

- 1.1 This report presents, for the Strategy & External Partnerships Portfolio:
 - 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.
- 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 As this report is for the 2018/19 outturn the services that were included in the Strategy & External Partnerships Portfolio prior to the current year committee restructure are detailed.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 1 July 2019:

- a) Carry forward requests totalling £651,630 revenue funding from 2018/19 to 2019/20, as detailed in **Appendix C**.
- b) Carry forward requests of £437k 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 the Strategy & Transformation Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2017/18 £'000	Strategy & External Partnerships Portfolio Revenue Summary	2018/19 £'000	% Final Budget
4,466	Original Budget	5,240	74.6
588	Adjustment – Prior Year Carry Forwards	187	2.7
-	Adjustment – Service Restructure Costs	-	-
1,940	Adjustment – Earmarked Reserves	1,646	23.4
73	Adjustment – Capital Charges	7	0.1
-	Adjustment – Central & Support reallocations	-	-
52	Other Adjustments	(53)	(0.8)

7,119	Final Budget	7,027	100.0
6,325	Outturn	7,149	101.74
(794)	(Under) / Overspend for the year	122	1.74
424	Carry Forward Requests	652	9.3
(370)	Resulting Variance	774	11.0

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 this Portfolio 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 the Finance & Resources Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2017/18 £'000	Strategy & External Partnerships Portfolio Capital Summary	2018/19 £'000	% Final Budget
1,090	Final Budget	938	100.0
47	Outturn	501	53.4
(1,043)	Variation - (Under)/Overspend for the year	(437)	(46.6)
1,043	Rephasing Requests	437	46.6
0	Variance	0	0.0

3.6 The majority of the rephasing relates to underspends in the RE:FIT 3 Energy performance improvement and CCTV infrastructure projects.

4. Implications

- 4.1 The net revenue variance from the final budget (see above), would result in an increased use of General Fund reserves of £774k after carry forwards.
- 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:

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

Strategy & External Partnerships Portfolio / Strategy & Resources Committee

Revenue Budget 2018/19 - Outturn

Service Grouping / Cost Centre	Original Budget 18/19 £	Final Budget 18/19 £	Outturn 18/19 £	Variation - Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Central Costs						
Central Provisions to be Allocated	569,870	888,520	1,614,918	726,398	0	726,398
Support Services Trading Balances	(688,370)	(546,530)	(328,040)	218,490	0	218,490
Pensions - Early retirements and Past Deficit	2,166,680	2,166,680	2,163,720	(2,960)	0	(2,960)
	2,048,180	2,508,670	3,450,598	941,928	0	941,928
Chief Executives						
Corporate Management	0	0	(5,664)	(5,664)	0	(5,664)
	0	0	(5,664)	(5,664)	0	(5,664)
Community Safety						
CCTV	(85,520)	(37,030)	(36,997)	33	0	33
Community Safety	220,910	226,850	212,151	(14,699)	8,500	(6,199)
Street Aid	0	0	0	0	0	0
	135,390	189,820	175,154	(14,666)	8,500	(6,166)
Corporate & Democratic Core						
Corporate & Democratic Core - Corporate Management	217,460	1,788,070	1,788,070	0	0	0
Corporate & Democratic Core - Democratic Representation &	1,500,090	258,640	258,958	318	0	318
	1,717,550	2,046,710	2,047,028	318	0	318
Corporate Strategy						
Corporate Marketing	0	0	(8,017)	(8,017)	0	(8,017)
Corporate Policy	391,390	441,230	374,701	(66,529)	0	(66,529)
Corporate Strategy Administration	0	0	0	0	0	0
	391,390	441,230	366,684	(74,546)	0	(74,546)
Democratic Services						
Civic Affairs and Twinning	0	0	(4,501)	(4,501)	0	(4,501)
Members Support	0	0	752	752	0	752
Electoral Registration	203,670	203,670	206,690	3,020	0	3,020
Elections	147,310	147,310	202,111	54,801	0	54,801
Committee Management	0	0	(34,714)	(34,714)	0	(34,714)
	350,980	350,980	370,338	19,358	0	19,358
Facilities & Other Management						
Emergency Planning	0	0	(21,404)	(21,404)	0	(21,404)
	0	0	(21,404)	(21,404)	0	(21,404)
Head of Finance - Holding/Suspense Accounts						
Pensions Costs Recharged	0	0	(40,631)	(40,631)	0	(40,631)
	0	0	(40,631)	(40,631)	0	(40,631)
Strategic Director 1						
Cambridge Northern Fringe East (CNFE)	0	475,000	108,482	(366,518)	346,710	(19,808)
Park Street Car Park Development	0	0	2,176	2,176	0	2,176
	0	475,000	110,658	(364,342)	346,710	(17,632)
Strategic Director 2						
Strategic Director #2	0	0	20,712	20,712	0	20,712
	0	0	20,712	20,712	0	20,712
Transformation Programme						
Programme Office	597,000	1,014,710	675,871	(338,839)	240,000	(98,839)
	597,000	1,014,710	675,871	(338,839)	240,000	(98,839)
Feasibility Study					56,420	56,420
Total Net Budget	5,240,490	7,027,120	7,149,344	122,224	651,630	773,854

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

- portfolio and departmental restructuring

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report)

- 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

- 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

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		

**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	

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
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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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)

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Item

3Cs LEGAL AND ICT SERVICES AND GREATER CAMBRIDGE INTERNAL AUDIT SHARED SERVICE - 2018/19 ANNUAL REPORTS

To:

Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee [01/07/2019]

Report by:

Fiona Bryant, Strategic Director

Tel: 01223 - 457325 Email: fiona.bryant@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 This report summarises the performance of the 3Cs Legal and ICT Shared Services and the Greater Cambridge Shared Internal Audit Service during 2018/19.
- 1.2 The principle of producing a single annual report for both the 3C and Greater Cambridge (2Cs) shared services was agreed at committee in July 2015.
- 1.3 The overarching annual report for the 3Cs Shared Services, submitted to South Cambridgeshire and Huntingdonshire District Councils' Committees for scrutiny, includes Legal, ICT and Building Control Shared Services. At the City Council, only the Legal and ICT services fall under the remit of this Committee and, therefore, the annual reports are extracted from the overarching report and enclosed below.

1.4 The Greater Cambridge Shared Services Annual Report covers the Waste, Planning and Internal Audit services. It is submitted to the South Cambridgeshire District Council Committee for scrutiny but, at the City Council, only the Internal Audit Shared Service falls under this Committee's remit and, therefore, the service report has been extracted and is included below.

2. Recommendations

- 2.1 The Executive Councillor is recommended to note the content of the report.
- 2.2. At the last Strategy and Resources Committee, Members requested a report on the potential for shared scrutiny arrangements across the shared service Partner Authorities. An initial report on the constitutional and decision making processes for the partners has indicated that there is potential for shared scrutiny, but further work is required on the scope, membership and practical arrangements for shared scrutiny. The Executive Councillor is therefore recommended to approve the proposal to bring a report to the next Committee.

3. Background

- 3.1 In July 2015, Cambridge City, Huntingdonshire District and South Cambridgeshire District Councils each approved a model for sharing Legal, Building Control and ICT services. The three services went live within 3C Shared Services in October 2015 with a commitment to provide an Annual report.
- 3.2 The Shared Internal Audit Service forms part of the Greater Cambridge Shared Services (2Cs). The business case for a Shared Internal Audit Service (SIAS) between Cambridge City Council and South Cambridgeshire District Council was approved by both Councils in 2017. The service went live in December 2017.
- 3.3 The overarching Shared Service performance is monitored through the Greater Cambridge Shared Services Management Board (containing the lead directors from each authority), Greater Cambridge Chief Executives' Board and 2C Joint Advisory Group (comprising of the leaders of each of the Councils).
- 3.4 The service business plans for the Shared Legal, ICT and Internal Audit services were approved by the City, Huntingdonshire District and South Cambridgeshire District Councils' committees in March 2018.
- 3.5 The business plans contain the priorities, key performance indicators and budgetary profiles for 2018/19.

4. 3C Legal Shared Service Annual Report 2018/19

4.1 General Information

4.1.1 3C Legal Service, known as 'The Practice', has the following objectives:

- Protection of services which support the delivery of the wider policy objectives of each Council.
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service.
- Savings through reduced management costs and economies of scale.
- Increased resilience and retention of staff.
- Minimise the bureaucracy involved in delivering the service.
- Opportunities to generate additional income, where appropriate.
- Procurement and purchasing efficiencies.
- Sharing of specialist roles.

4.1.2 Prior to establishment, each council was facing challenges with recruitment and retention of legal staff and was increasingly reliant upon external providers to meet its needs, especially on major projects. A shared service would create a critical mass of capability, target efficiencies, and actively seek to take advantage of income generating opportunities. At that time the combined budget of the legal services for the three partner authorities was £1,444,000 and a savings target of £179,000 was targeted for 16/17; the equivalent of a reduction of 15% of the net revenue budget after income has been applied.

4.1.3 Significant changes were made to the way The Practice operated in 2017/18, including:

- ✓ Introduction of time recording software.
- ✓ The use of a consumption based model to assist with transparency.
- ✓ Revising the accommodation and operating arrangements.
- ✓ Decreased reliance on locum and agency staff.

This has enabled The Practice to move on to a sound footing, which has realised results in 2018/19.

4.2 **Financial Performance**

Further information is provided in the performance report at Appendix 1.

4.2.1 The Outturn for 2018/19 is as follows:

£	Budget	Actual	Variance/Outturn
Legal	1,191,220	991,194	200,066 (surplus)

4.2.2 In regard to the three Authorities' combined budget of £1,444,000, the headline is a 17% saving on the pre-shared service position. The outturn for 2018/19 of £991,154 represents a 17% saving on the £1,193,360 baseline budget in 2015/16, and this is despite £116,860 of salary inflation, which has been absorbed. This has been delivered through driving greater efficiency, removing

contractors and putting in place a stable structure. Fee earning time is up for the year.

4.2.3 Performance against the income target of £200,840 for 2018/19 has seen income of £269,915 delivered, which has contributed to the surplus of £200,840.

4.3 **Service Performance**

- 4.3.1 The last 12 months have in overall terms been extremely positive for The Practice with improved performance and delivery. The last 12 months has generally seen staff integrate into the shared structure with far greater staff movement between offices at Cambridge, Cambourne and Huntingdon. This is to the benefit of the Practice and clients in enabling greater resilience and client interface. Several welcome additions have been made to the staffing structure and the flexible working arrangements offered by the Practice have proved an important selling point in attracting staff.
- 4.3.2 This year has seen a marked improvement in the level of hours recorded by fee earners. The target hours for the Practice have been exceeded by 13.5% or 1,964 hours in simple terms. The final quarter performance has shown a marked improvement. This can be explained both by the improved efforts of the fee earners but also because the Practice Manager is now able to capture time spent attending hearings and committees for fee earners, which previously was not as accurately captured as would have been liked. This has been one of the benefits of the enhanced IKEN practice management system rolled out in the second half of the year. In overall terms the improved performance benefits all by unlocking additional fee earner time across the Practice. Moving forward the benefits represented by Council Anywhere will certainly assist in building on this positive progression.
- 4.3.3 Attention is drawn to the 90% success rate in litigation. This is explained by the work undertaken by the Practice in relation to debt recovery and parking prosecutions on the relatively high number of cases comparatively for HDC. In terms of complexity such matters are more straightforward. Work is underway with the client to seek to enable them to process more routine paperwork/activity on these matters as a more effective mechanism for interfacing with court/public. The figures remain extremely encouraging and work currently underway with the client (developing the intelligent client role) will seek to build on this.
- 4.3.4 One set back in year was the refusal by the Law Society to approve 3C Legal for Lexcel accreditation to allow the Practice to trade commercially, ironically on the grounds that the shared service is made up of three separate organisations, rather than being a separate entity in its own right. Nonetheless the preparations for Lexcel have been extremely beneficial in driving improved efficiencies and best practice and in overall terms have acted as powerful stimulant to drive improved performance.

4.4 **Customer Feedback**

- 4.4.1 Last year's Annual Report identified that further work was required on measuring customer satisfaction in a meaningful manner during 2018/19. The outcome of this work shows a very positive picture. Following a customer survey completed during the year all of the four Teams have exceeded 90% satisfaction rates, with a Practice average of 96.5%.

4.4.2 The client satisfaction levels are very encouraging albeit fee earners will continue to work with clients to improve the number of surveys returned. Working with clients through regular liaison meetings encourages feedback and interaction and the roll out of such meetings across the last 12 months has been delivered at every level of the Practice. By listening to clients' concerns and feeding back any areas where they can assist (through improved instructions for example) the work of the Practice has become much more client focused.

4.5 **Looking Forward**

4.5.1 In terms of the year ahead the Practice is looking to address some of the IT issues the service has experienced by upgrading all of the hardware, which will support cross site working, something that is key to this team. The legal service are also looking to work with the three councils to review legal spend outside 3C Legal and to quantify the cost benefit/risk benefit position of the cost of the advice versus the risk associated with non-commissioning of advice, to identify opportunities where a more commercial approach can be taken.

5. 3C ICT Shared Service Annual Report 2018/19

5.1 **General Information**

5.1.1 The following objectives have been collectively agreed for 3C ICT:

- Protection of services which support the delivery of the wider policy objectives of each Council.
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service.
- Savings through reduced managements costs and economies of scale.
- Increased resilience and retention of staff.
- Minimise the bureaucracy involved in operating the shared service.
- Opportunities to generate additional income, where appropriate.
- Procurement and purchasing efficiencies.
- Sharing of specialist roles which individually, are not viable in the long-term.

5.1.2 In essence, the drivers for the 3C ICT Shared Service are:

- Savings to the 3 councils: a single shared service increases efficiency and reduces the unit cost of service delivery.
- Service resilience: fewer single points of failure, and increased scale enables increased investment in more robust infrastructure, thus reducing probability and impact of service outages.
- Collaborative innovation: increased scale enables investment in roles such as technical architect / IT Analyst, which will be the catalyst for accelerating the design and delivery of next generation council services, with Digital First at their heart. In this way, the 3C ICT Shared Service will contribute to the evolution of council services, a position and level of investment which none of the 3 partner councils could afford on their own.

5.1.3 2018/19 has been a year of progress, transition and challenge for 3C ICT. In terms of progress, financial targets for the year have been achieved. In addition progress on the digital portal has helped to demonstrate the progress that can be made when there is clear alignment and close working between services and ICT, and ably showed the benefits of more agile delivery.

5.2.4 Transition - Further development, and deepening, of the ways of working with and between the three councils, and the benefits of standardisation of technology and harmonisation of ways of working are beginning to deliver significant benefits. The number of applications in use across the councils has reduced to 222, from a starting point of 284 reducing both duplication and overheads. The three councils have also agreed formal priorities to ensure there is clarity on all sides on how the finite 3C ICT resource is being tasked.

5.2.5 The Council Anywhere project, driving not only technology changes but also organisational change and streamlined ways of working, is being rolled out across the three councils starting this year. Alongside the technology changes, the consistent use of Business Analysts, and the further development of Transformation functions, working collaboratively across the 3 councils, has made consistent system requirements much clearer. This significantly increases the probability of projects delivering the changed ways of working to which councils aspire. The Art of the Possible workshops undertaken as part of the project has informed this and this approach has been enhanced by the appointment of Council Anywhere Champions who work with their services to identify business needs that the new technology can address.

5.2 **Financial Performance**

Further information is provided in Appendix 2.

5.2.1 The provisional outturn position for 2018/19 is recorded in the table below:

£	Budget	Actual	Variance/Outturn £
3C ICT	6,508,725	6,378,983	129,742 (surplus)

5.2.2 The overall provisional financial outturn demonstrates a saving over the budget set at the start of the year. This budget (£6,508,725) represents a saving of £811,406 over the pre-shared service costs of ICT in the 3 authorities. The financial reporting is based on re-profiled business case approved in February 2018. Partners are paying less for their ICT service under 3C ICT and it is currently projected there will also be an underspend. This is despite a number of challenges throughout the year, particularly in relation to staffing.

5.3 **Service Performance**

- 5.3.1 In terms of KPIs (Key Performance Indicators) – of the 8 official 3C ICT KPIs, 5 are performing above target, with the remaining 3 operating within 10% of the target.
- 5.3.2 Challenge - Has come in the form of the turnover in the leadership of the service which has removed capacity and leadership at a key time; two significant service disruptions; and the pressure of maintaining business as usual arrangements across three legacy IT arrangements, whilst simultaneously migrating these arrangements to more stable and modern solutions.
- 5.3.3 Transition between technology and ways of working is always an organisation's point of greatest risk, and creates vulnerability to external factors, as has been demonstrated by the events of the past year. Lessons have been learned, and whilst the agreed delivery programme offers mitigation against similar events in the future, until these projects are delivered in full, residual risk will remain. 3C ICT remain committed to working closely with the authorities both individually and collectively to identify risk, and to support the authorities' overall risk appetite by providing options around effective management of risk and realigning risk from more physical ways of working. This is particularly relevant given that all three councils are pursuing a technology forward strategy, which will continue to increase their reliance on technology. The first 100 day review by the new Head of ICT will address this point as a matter of priority.
- 5.3.4 In terms of clarity on leadership of the service, all three councils have now, formally approved the recruitment of Sam Smith and the supplementing of her part time role as the new Head of 3C ICT, with a full time Deputy Head of IT (Operations) post (interim arrangements already in place). This will provide additional capacity and focus on business as usual and alignment of project activity, and help resolve the root causes of a number of issues experienced in the past 12 months. Sam Smith in her Head of ICT role is currently producing a first 100 day report that will act as a state of the service report, reflect on incidents affecting it and present all three councils with clear choices to address any issues identified.

Service Resilience

- 5.3.5 All three authorities rely on all the services and systems being operational virtually 24/7. In the past twelve months service availability has fallen below what the ICT service aspires to achieve. The completion of the server room consolidation will significantly improve the situation; however, there are several lessons that have been learnt. Some of these service outages have been down to external factors whilst others have been down to changes made by the internal Team. The Team is working hard to increase the accountability of external providers, plan and deliver internal changes more effectively and improve the clarity of the communication that is provided to our customers and its planning.

5.3.6 There are two main measures of incident performance (response and resolution), and these have varied significantly throughout the year, reflecting operational pressures (November outages) and the need to balance Business as Usual (BAU) service with project delivery. Processes have been implemented during the year to manage major service affecting incidents and the system used to manage all calls to the IT service desk has also been reviewed to ensure it is effective. The reality is that until the two key convergence projects (Council Anywhere and Server Room Consolidation) are complete the IT Service will be required to manage the legacy environments of all three councils and the problems inherent in those environments. Delays in those projects has meant that the anticipated drop in call volumes and streamlining of support processes have not yet come to fruition.

5.3.7 In summary the service has:

- Delivered a 13% saving over the pre-shared service position.
- Delivered resilient data centres, with disaster recovery capability.
- Implemented a common, shared digital portal, which already has over five thousand registered users, and demonstrated customer-to-frontline staff system integration.
- Made significant progress on the implementation of the new shared waste system,

5.4 **Customer Feedback**

5.4.1 KPI 1 Customer Satisfaction with 3C ICT as measured by receipt of both unsolicited (compliments, complaints and comments) and solicited feedback (feedback requests for all resolved calls and quarterly surveys), has remained about target throughout the year, averaging over 90% satisfaction despite some service outages.

5.5 **Looking Forward**

Key Projects

5.5.1 **Council Anywhere** -This project has been marked by significant delays throughout the year, with a series of technical and supplier issues compounded by changes in senior management, a higher than expected level of BAU work throughout the year and other ongoing project work. The result has been that delivery has slipped into Q4 for some elements and beyond for others. As at Q4 Local Champion overview and training sessions are complete, governance settings have been agreed and a rollout plan has been submitted by the Councils'. Key elements of Office 365 have been delivered for testing purposes to the Local Champions and other key users with Product Assurance officers signing off the testing ready for roll out from April 2019. The Global Protect VPN has been delivered and application packaging and testing has been ongoing. A related project **Aruba ClearPass – Council Anywhere (CCC/SCDC/HDC) (Sponsor – Oliver Morley)** has seen the technology to support truly flexible working across all three councils successfully rolled out at Mandela House and Pathfinder House, plus 2 floors of the Guildhall. Plans are in place for the roll

out at Waterbeach, South Cambs Hall, Eastfield House and the remaining floors of the Guildhall.

5.5.2 Consolidated Server Room - During the year progress on this project has been variable with initial good progress made, with Q1 seeing the migration of HDC largely complete along with 40% of SCDC servers and active plans to commence the migration of City servers. Progress then stalled for several reasons. Q3 saw two major issues related to this project and in turn impacting progress. On 31st October a fibre cable was accidentally severed causing Cambridge City to lose connectivity with the Shire Hall datacentre. The outage resulted in two errors on the server room setup that required fixing. Prior to the remediation work being fully completed a further incident occurred on 15th November, where the air conditioning at Pathfinder House shut down and caused overheating in the server room. All the systems were recovered and were fully operational by Monday 19th November. No data was lost. Following these 2 outages suppliers have implemented the required remediation work in December. Failover testing was conducted in Q4 (February) and was successful. Work to decommission the legacy equipment also started in that quarter with many of the old servers having been powered off and unracked at SCDC.

5.5.3 Public Services NetworkSN - Work continued on this throughout the year with the result that HDC submitted and were accredited as compliant in Q4. SCDC submitted their information to Cabinet Office during Q4 and are waiting to hear the result. City have a further 14 actions to complete before submission (due May 2019).

5.5.4 Environmental Health System Procurement - HDC and CCC have had capital funding approved to undertake this project alongside SCDC. All 3 partners have developed an agreed specification, which has gone out to tender, and will finish in early April.

5.5.5 Waste Services Implementation (SOSP) (SCDC/CCC/HDC) - Phase 1 of this project was closed down within Q4. **Phase 2 (CCC/SCDC/HDC) (Sponsor – Joel Carre)** was at Amber in that quarter due to risks to the project, the newness of IEG4 portal and Yotta Alloy and likelihood that the development might take longer than expected. The Digital Team have delivered 3 integrated forms for City, 1 for SCDC and 1 proof of concept for HDC.

6. 2C Internal Audit Shared Service Annual Report 2018/19

6.1 General Information

6.1.1 The following objectives have been agreed:

- Protection of services which support the delivery of the wider policy objectives of each Council.

- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service.
- Savings through reduced managements costs and economies of scale.
- Increased resilience and retention of staff.
- Minimise the bureaucracy involved in operating the shared service.
- Opportunities to generate additional income, where appropriate.
- Procurement and purchasing efficiencies.
- Sharing of specialist roles which individually, are not viable in the long-term.

6.1.2 The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. The detailed role of Internal Audit is set out in the Internal Audit Charter, which is approved annually by the partners' relevant Audit Committee. To act successfully as a key business partner, internal audit teams need to be fit for purpose and provide assurance of the necessary quality, depth and coverage. The key service objective is to provide assurance on each Council's control environment.

6.1.3 A risk based plan is completed annually, in consultation with management, to help ensure that work reflects both corporate priorities and corporate risks. The details of the plan are then presented to each Council's relevant audit committee for approval. The plan is designed to be flexible, so that work can be re-prioritised in response to the continually changing risk environment. This approach helps to ensure that the scarce resources are allocated in such a way that they add the most value to the Council.

6.2 **Financial Performance**

Further information is provided in the performance report at Appendix 3.

6.2.1 The outturn for 2018/19 is as follows:

£	Budget	Actual	Variance/Outturn
Audit	319,300	287,265	32,036 (surplus)

6.2.2 The underspend is mostly attributable to staff vacancies, partially offset by the increased Agency Worker costs. In addition the team maintains its professional expertise through training and the purchase of professional publications and guidance. There has been a £4k saving as training has been delivered in house, and it has not been necessary to purchase any publications this year.

6.2.3 The team has started to make some operational savings by reviewing its ways of working. For example a digital working approach was introduced for completing benefit subsidy assurance work, which enabled the service to reduce the number of days required to complete this activity. It is aimed to exploit further efficiencies by utilising smarter ways of working through Council Anywhere. South Cambridgeshire District Council has an appetite for increasing the amount of days committed to the Internal Audit Plan, which will increase the overall budget and change the percentage split for 2019/20.

6.3 **Service Performance**

- 6.3.1 The service is on track against both of its indicators. The team achieved accreditation with the standards for PSIAS (Public Sector Internal Audit Standards) and LGAN (Local Government Application Note) at the beginning of the year. Compliance has been maintained following the accreditation. Under the effectiveness indicator, the key documents (Annual Head of Audit Opinion and the Annual Governance Statement) were completed to statutory deadlines at both Councils. If the Accounts had been concluded on time, the Annual Governance Statement would have been finalised, so the team is confident this KPI has been met.
- 6.3.2 The team is making good progress delivering the plan for both Councils and has undertaken a number of pieces of responsive work. An ongoing challenge at South Cambridgeshire District Council is the closure of the accounts for 2017/18. A member of the team previously worked as an external auditor at EY, which is a great resource to have. This has enabled the team to complete the closure checklist for the Council, helping to provide assurance to the external auditors. Most Internal Audit teams do not have experience in this area, so it is intended to utilise these skills at the beginning of the next financial year further to assist South Cambridgeshire District Council with the 2018/19 closedown. It should also be noted that the delay has required additional amendments to be made to the Annual Governance Statement to ensure it reflects the current risk environment.
- 6.3.3 The team is currently utilising two agency workers to help deliver the internal audit plan at both sites, and this has helped with the conclusion of a number of pieces of work. A new agency worker commenced in January, who replaced an existing agency worker. Recruitment has been approved for replacement substantive employees.
- 6.3.4 The team aims to maximise its productive time and has introduced this as a performance measure for 2019/20. It also is developing a joint audit plan to maximise productivity through increasing coverage efficiency. ICT has been a challenge over the past year, and it is estimated that 20 days have been spent managing ICT disruption, outage and resolution. The team has an effective business continuity plan to manage workload during ICT outages as it is a significant user of technology. As a shared service working across multiple sites there is vulnerability to long term ICT disruption risks, although the service also benefits from the potential resilience of working at multiple sites with alternative hardware and network provision.
- 6.3.5 The team was independently accredited as “Generally Conforms” to both the PSIAS and the LGAN at the beginning of the financial year. This is the highest level of accreditation and was reported to both relevant audit committees. A significant amount of work was required to achieve the accreditation. In addition, the team has been delivering an action plan to make further improvement; examples include:
- Development of an in-house management system for audit plans;

- Revision to the audit manual for joint working across multiple customers;
- Revision to working templates and procedures;
- Development of joint audit plans to maximise productivity.

6.3.6 Additional unplanned work requests from South Cambridgeshire District Council include preparing a revision of the Audit and Corporate Governance Committees Terms of Reference. This will be completed to the standards established by CIPFA in 2018. The committee is also requesting that the team co-ordinate assurance of Counter Fraud and Corruption, which would not have been part of our standard Business Plan, however it is good practice.

6.3.7 Actions agreed as part of Internal Audit reviews are recorded on the risk management system: 4Risk. South Cambridgeshire District Council has started to use this in 2018/19, while Cambridge City Council has been recording Internal Audit actions for a number of years. Management are responsible for updating progress of their actions, which are followed up by Internal Audit. A significant number of actions have been identified, which had not been updated over the past couple of years, so the team has proactively worked with managers to ensure these are up to date. Now that these records are up to date, monitoring can revert to business as usual.

6.4 **Project Performance**

6.4.1 The service has undertaken one project during the year. PSIAS compliance has been achieved and a number of improvements during the year have been implemented.

6.5 **Looking Forward**

6.5.1 The service is developing a risk based embedded assurance process for ISO14001 and ISO9001 standards. The Greater Cambridge Shared (Trade) Waste team aim to maintain compliance with the standards, which requires input from Internal Audit. These standards are not typically used in Local Government, but are used by trading entities. The aim is to be compliant, and advertise this, as it can provide assurance to customers, which can be important for attracting business. Once the risk based embedded assurance process is established, there may be merit in other Council teams applying for the compliance standards, as it may help to generate revenue by attracting customers.

6.5.2 Unplanned work included revisions of the Annual Governance Statement at South Cambridgeshire District Council due to late conclusion of the Statement of Accounts. Revisions to the document have to be agreed with Audit Committee, External Audit, the Leader and the Chief Executive. This is still ongoing whilst the accounts are concluded. It is highly likely that the same challenge will be encountered in 2019/20.

6.5.3 At the same time, it has already been noted that South Cambridgeshire District Council is exploring the potential benefits of increasing the amount of days committed to its Internal Audit Plan, with the associated budget implications.

- 6.5.4 It is recommended that the risk management system: 4Risk system is used to record and monitor actions agreed from other external inspections, such as external audits and housing inspections.
- 6.5.5 The team has identified where it can improve processes through Council Anywhere and is looking forward to being an early adopter of the technology.

7. Implications

a) Financial Implications

The financial implications are shown in sections 4.2, 5.2 and 6.2 above and in the Appendices.

b) Staffing Implications

There are no staffing implications.

c) Equality and Poverty Implications

Not required for this report.

d) Environmental Implications

None for this report.

e) Procurement Implications

None specific related to the service. Any procurement relating to the service provision is carried out in line with the Councils' policies.

f) Community Safety Implications

There are no community safety implications.

g) Consultation and communication considerations

This will be conducted in accordance with the Council's agreed policy.

h) Background papers

Background papers used in the preparation of this report:

Shared Service Quarterly reports

Greater Cambridge Shared Services 2018/19 Annual Report

3C Shared Services 2018/19 Annual Report

i) Appendices

1. 3C Legal Shared Service Budget Position and Service Performance Against Indicators
2. 3C ICT Shared Service Budget Position and Service Performance Against Indicators
3. Audit Service Shared Service Budget Position and Service Performance Against Indicators

j) Inspection of papers

To inspect the background papers or if you have a query on the report please contact Fiona Bryant, Strategic Director, tel: 01223 - 457325, email: fiona.bryant@cambridge.gov.uk.

3C LEGAL SHARED SERVICE

Council Budget Contribution and Hours Consumed

Council	% budget contribution	Hours Consumed
CCC	54.22%	8052.25 (49.21%)
HDC	18.54%	3664.04 (22.39%)
SCDC	27.24%	4646.53 (28.40%)

Staff Productivity(Target 90%)

Target (hours)	Actual (hours)	% of Target Achieved
14398.43	16362.82	113.64%*

* Target exceeded

Customer Satisfaction (Target 90%)

Team	% of Target Achieved
Planning Team (sent 89, returned 23)	99%
Property Team (sent 195, returned 75)	100%
Contracts Team (sent 88, returned 39)	97%
Litigation Team (sent 103, returned 38)	90%
Practice Average	96.5%

Litigation Outcomes

Cases Closed on the System	Cases marked as Successful	Cases marked as Unsuccessful
CCC = 214 HDC = 446 SCDC = 30	CCC = 185 HDC = 410 SCDC = 24	CCC = 1 HDC = 3 SCDC = 2

3C ICT SHARED SERVICE

Council Budget Contribution

COUNCIL	Budget £	Actual (Provisional) £	Variance/ Outturn£
Cambridge City Council	3,080,494	3,035,040	45,454 (surplus)
Huntingdonshire District Council	2,097,672	2,000,251	97,421 (surplus)
South Cambridgeshire District Council	1,330,559	1,343,692	13,133 (overspend)

Service Performance Against Indicators

KPI customer satisfaction (based on time taken to resolve) – Target is >80%

Customer satisfaction –

Q1 = 95%	Q2 – 93%	Q3 – 93%	Q4 – 93%		□□
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KPI Service availability

Q1 – Amber	Q2 - Amber	Q3 - Red	Q4 - Amber		□□
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KPI Incident Performance – Target is >83.75%

Q1– 90%	Q2 63%	Q3 67%	Q4 84%		□
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KPI Service request Performance – Target is >92.5%

Q1 - 74%	Q2 - 81.5%	Q3 - 80.75	Q4 – 93.5%		□
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KPI Service/Work order request performance – Target is >85%

Starter – Mover – Leaver process

Q1 – 86%	Q2 – 86%%	Q3 – 93%	Q4 – 91%		□
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KPI Project Delivery Performance (based on time to receive and respond to project requests)

Q1 – 70%	Q2 – 53%	Q3 - 35%	Q4 – 61%		□□
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KPI8 – Services Budget savings

Q1 - £160k by FY end	Q2 - £27.5k by FY end	Q3 - £27.5k by FY end	Q3 – £155k by FY end		□□
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SHARED AUDIT SERVICE**Council Budget Contribution**

Council	Cost £	% split
Cambridge City Council	225,565	78
South Cambridgeshire District Council	62,060	22

Service Performance Against Indicators

Performance indicators	
How many performance indicator targets have been set for this service?	2
How many are currently green (on track)?	2
How many are currently amber (within 10% of target)?	0
How many are red (more than 10% adrift of target)?	0



Item

REVIEW OF COUNCIL TAX REDUCTION SCHEME

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee 01/07/2019

Report by:

Alison Cole, Head of Revenues and Benefits

Tel: 01223 - 7701 Email: alison.cole@cambridge.gov.uk

Wards affected:

All

Key Decision

1. Executive Summary

- 1.1 Councils are required to review their Council Tax Reduction scheme annually and determine whether to revise it or not. It is appropriate for the Council to review its arrangements to ensure they are fully aligned with Universal Credit.

2. Recommendations

- 2.1 The Executive Councillor is recommended: To agree outline proposals and consultation process for the review of the local Council Tax Reduction Scheme.

3. Background

- 3.1 The local Council Tax Reduction scheme has been in place since April 2013 and has worked extremely well alongside Housing Benefit.

- 3.2 However, as the number of Housing Benefit recipient declines (due to claimants moving to Universal Credit), there are issues with the interaction between Universal Credit and the Council Tax Reduction scheme that will cause serious complications for customers, and issues in terms of administration of the scheme.
- 3.3 When a claimant is in employment, their Universal Credit award will be recalculated every month based upon real time information received from Her Majesty's Revenue and Customs (HMRC) detailing their gross and net earnings for that period.
- 3.4 As the current Council Tax Reduction scheme uses the DWP's assessment of the claimant's income to determine entitlement, there is no option but to recalculate a Universal Credit claimant's entitlement every month, leading to a new benefit letter and Council Tax bill each time we receive this.
- 3.5 To continue with this process would lead to customer confusion about Council Tax instalments and could impact on our ability to enforce payment, as Council Tax Reduction could be recalculated up to 12 times in a year.
- 3.6 As more people claim Universal Credit, it is important that the Council Tax Reduction scheme is adapted to ensure both Universal Credit and legacy benefit claimants are treated fairly moving forward.
- 3.7 The current approach is not sustainable in terms of service delivery and scheme redesign should be considered so that is simpler to understand and less burdensome to administer.
- 3.8 These issues can be mitigated by introducing a new Council Tax Reduction scheme for Universal Credit claimants (working-age).
- 3.9 The proposal is to introduce a scheme for Universal Credit claimants to be put into one of several income bands. The amount of reduction in Council Tax for each claimant will not change as long as their earnings remain within that band.
- 3.10 The DWP has stated that they anticipate the managed migration of existing benefit claimants will be completed by 2023, but it is likely we will see a significant proportion of our working age Council Tax Reduction caseload on Universal Credit prior to this date. This is

because so many of our working age claimants have variations in their circumstances (such as changes of employment or some household changes) which trigger an immediate move to Universal Credit before they are selected for the move.

- 3.11 Although full service Universal Credit was only launched in Cambridge in October 2018, approximately 10.25% of our working age Council Tax Reduction caseload is already in receipt of Universal Credit.
- 3.12 An income banded scheme that looks purely at a claimant's (and their partner's) earnings might look something like that shown in the table at 5.2. This banding is intended to result in the Council awarding similar levels of Council Tax Reduction as under the current scheme.
- 3.13 A change in income that results in movement between bands would lead to a reassessment in Council Tax Reduction:
- 3.14 Non-dependants are other adults living in a property along with the claimant, partner and dependant children.
- 3.15 Streamlining non-dependant deductions for all Universal Credit claims to a flat monthly contribution provides clarity to people making a Council Tax Reduction claim of the amount that other adults should be contributing toward for the services that are provided. Some individuals will be protected from deductions.

4. Implications

- 4.1 This simplified scheme will be easier for customers to understand and will assist with personal budgeting.
- 4.2 Making no change to the existing scheme would lead to confusion for Universal Credit claimants who also claim Council Tax Reduction.
- 4.3 Customer and partner earnings figures are provided electronically via DWP from the Universal Credit claims process and would allow automation of the claims process, thereby reducing administration costs.
- 4.4 The current scheme requires reassessment of a customer's entitlement to Council Tax Reduction every time their Universal Credit changes,

which may be every month, with additional costs relating to printing and postage, and significant confusion for customers.

- 4.5 An income banded scheme would mean that the vast majority of changes in customers' earned income will not change their Council Tax Reduction.
- 4.6 A banded scheme would be more transparent for customers.
- 4.7 There would be a very small number of customers with either increased or reduced entitlement, but most will see little change.
- 4.8 Performance in the Benefits and Council Tax teams remains very strong. Council Tax in-year collection rate for 2018/19 was the best Cambridge has seen since Council Tax was introduced. In order to maintain healthy collection rates, revision of the current scheme should be reconsidered.

a) Financial Implications

- 4.9 The cost of the current Council Tax Reduction is £6.77m during 2019-2020, with £4.5m being for working-age claimants.
- 4.10 The aspiration of the new scheme is to keep total awards within the above figures, subject to any annual increase in Council Tax.
- 4.11 Failure to adopt a streamlined scheme will increase costs due to the Universal Credit impact workload growth, whilst overall central government funding (from Department for Work and Pensions and Ministry of Housing, Communities and Local Government) is expected to reduce due to the transference of housing cost support from Housing Benefit to Universal Credit. Page: 4

b) Staffing Implications

- 4.12 Streamlining the claiming process and significantly reducing the number of changes that lead to a change in entitlement will mean that over time there will be a reduction in staffing numbers.
- 4.13 This is not likely to be until 2021/2022, when sufficient working age claimants have migrated onto Universal Credit.

c) Equality and Poverty Implications

4.14 An Equality Impact Assessment will be undertaken as part of the review.

d) Environmental Implications

4.15 Nil.

e) Procurement Implications

4.16 None.

f) Community Safety Implications

4.17 None.

5. Consultation and communication considerations

5.1 Consultation will be carried out during July, August and September 2019, with an aspiration for 12-week period of consultation and will follow the Council's Code of Practice on Consultation. This will include, but not exclusive to:

- Current working age Council Tax Reduction recipients.
- Partnership meetings with Citizen's Advice, Department for Work and Pensions, financial inclusion organisations and third sector organisations.
- Engagement with internal stakeholders.
- A sample of Council Tax payers, including those not receiving Council Tax Reduction.
- Council Tax Precepting Authorities.
- Groups representing those with protected characteristics.
- Media exposure including City Council publications.

5.2 The consultation will give indicative income band figures that show what contribution is required based on net earnings and household make-up. An *example* of the proposed bands are below:

Universal Credit Claimant – Current Indicative figures	
Not in work or earning less than £285 per month	Claimant pays towards Council Tax - £0 per month
Earning between £285 and £574.99 per month	Claimant pays towards Council Tax - £25 per month
Earning between £575 and £1099.99 per month	Claimant pays towards Council Tax - £75 per month
Earning between £1100 and £1749.99 per month	Claimant pays towards Council Tax - £130 per month
Earning between £1750 and £2249.99 per month	Claimant pays towards Council Tax - £180 per month
Earning between £2250 and £2749.99 per month	Claimant pays towards Council Tax - £230 per month
Earning over £2750 per month	Claimant pays Council Tax in full

5.3 The consultation will explain that the reason for change is due to the current scheme no longer aligns with changes to national welfare benefits, and will outline key issues including:

- Fluctuating earnings will lead to changes to Universal Credit entitlement, which in turn will result in changes to Council Tax Reduction with increased numbers of Council Tax bills and reduction notification letters.
- The proposed scheme will significantly reduce the need for customers to contact the Council.
- A simplified scheme will be easier for customers to understand and will assist with personal budgeting.
- Increased collection costs because regular instalments will not be able to be set.
- Increased administration costs in reassessing entitlement due to small changes in income that produce marginal changes in Council Tax Reduction.

5.4 Alternatives to the proposed scheme may mean the Council will have to look to increase funding for administration of the scheme as national administration grants are reducing. There will also be increased collection costs which will impact the Council's budget.

6. Background papers

6.1 Background papers used in the preparation of this report:

None

7. Appendices

7.1 Consultation document – to follow

Inspection of papers

8.1 To inspect the background papers or if you have a query on the report please contact Naomi Armstrong, Benefit Manager: 01223 - 457752, email: naomi.armstrong@cambridge.gov.uk.

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Proposed changes to Council Tax Reduction scheme

The local Council Tax Reduction scheme has been in place since April 2013 and works extremely well alongside Housing Benefit.

However, as the number of Housing Benefit recipient declines (due to claimants moving to Universal Credit), there are issues with the interaction between Universal Credit and the Council Tax Reduction scheme that will cause complications for customers, and issues in terms of administration of the scheme.

Proposal

The proposal is to introduce a scheme for Universal Credit claimants to be put into one of several income bands. The amount of reduction in Council Tax for each claimant will not change as long as their earnings remain within that band.

The new banded scheme would be introduced from 1st April 2020 and only apply to Universal Credit claimants. The amount they have to contribute towards their council tax will depend on their net monthly earnings (including income from occupational pensions).

These incomes will have some amounts disregarded to encourage people to start work and stay in work, and also to make pension provisions. All other incomes will be ignored.

For the vast majority of changes in customers' earned income, their Council Tax Reduction will not change, giving them stability in understanding their outgoings per month.

Claimants on Universal Credit, who are not working, will receive a full discount apart from contributions from other adults living in the household. These are called non-dependant deductions.

Draft income bands and possible contributions towards Council Tax bill:

Universal Credit Claimant – Current draft figures	
Not in work or earning less than £285 per month	Claimant pays towards Council Tax - £0 per month
Earning between £285 and £574.99 per month	Claimant pays towards Council Tax - £25 per month
Earning between £575 and £1099.99 per month	Claimant pays towards Council Tax - £75 per month
Earning between £1100 and £1749.99 per month	Claimant pays towards Council Tax - £130 per month
Earning between £1750 and £2249.99 per month	Claimant pays towards Council Tax - £180 per month
Earning between £2250 and £2749.99 per month	Claimant pays towards Council Tax - £230 per month
Earning over £2750 per month	Claimant pays Council Tax in full

Non-Dependants

Non-dependants are other adults living in a property along with the claimant, partner and dependant children.

The suggestion is a weekly contribution of £6.50 per week per non-dependant towards the cost of the services that the Council Tax covers.

Streamlining non-dependant deductions for all Universal Credit claims to a flat monthly contribution provides clarity to people making a Council Tax Reduction claim of the amount that other adults should be contributing toward for the services that are provided. It also streamlines administration by making claims quicker to process because additional information will not need to be requested.

No non-dependant contributions will apply in some circumstances, such as where certain household members have disabilities, are pensioners, students, receiving war pension incomes (including Armed Forces Independence Payments) or members of the armed forces away on operations.

Advantages of the proposed Scheme

A banded scheme would allow Cambridge City Council to make the calculation of the award a lot simpler so the cost of administration to all charge payers is kept to a minimum.

Streamlining non-dependant deductions will also make administering of the scheme easier.

It allows some claimants with incomes towards the bottom of each band to earn more money without reducing their Council Tax Reduction.

Council Tax Reduction will not need to change by small amounts each month, so fewer bills will need to be produced. This will save the Council money, be better for the environment and allow claimants to budget more effectively.

Disadvantages

Claimants near the top of an income band who start earning more may have an increase in the amount of Council Tax they have to contribute which is more than the increase in pay. However, knowing how much the bands are will inform claimants of their choices when changing their employment details.

Transitional Protection

If this income band scheme is introduced some people may receive less than they currently get under the existing scheme.

To support these existing Council Tax Support claimants it is proposed that they transition to the new scheme. From 1 April 2020 Where their new entitlement is more than £5 per week less than their old entitlement on 31 March 2020, it is proposed that the start date of the new scheme will be delayed to 1 July 2020 and support will be offered to find ways to maximise their income and reduce outgoings on a one to one basis as necessary.

For the following vulnerable customers, this deferment will be up to 6 months.

- Care Leavers under 25
- Families with dependant children under 5
- Households where claimant, partner or dependant children have disability benefits

- Households where claimant or partner have war pensions or Armed Forces Independent Payment incomes

Support from trained advisors will be available to give in depth budgeting support. Identification of these households will be made by January 2020 to give enough time for this support to be put in place.

This will have a small administrative cost to the authority but may provide the best longer term support that these households need.

Impact

Our proposed scheme is not designed to reduce or increase the amount of Council Tax Support the Council currently awards. It is designed to be as cost neutral as possible.

Failure to have a scheme that does not work in harmony with Universal Credit will make budgeting difficult for households, be costly in administration for the authority and may lead to inability to collect council tax due to small monthly changes in Council Tax Reduction affecting bills.

The scheme will not apply to pensioners and working age claimants not on Universal Credit. They will continue to have their support calculated on the current rules.

Your Views

We would really like to have your thoughts on our scheme, please email us at nnn@cambridge.gov.uk and let us know.

Do you agree that Cambridge City Council's Council Tax Reduction Scheme needs to reflect the on-going implementation of Universal Credit ?

What do you see as the advantages and disadvantages of what we are proposing?

Do you feel that the most vulnerable would be supported appropriately?

Do you agree that the proposed flat rate contributions from other adults living in the property are appropriate? What amount do you think this should be?

Would you like to see a different change to the way we help people on a low income pay Council Tax? If so, what would you like to see?

Is there anything else you would like to bring to our attention?

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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	
	Deposit Type	Average Deposits (£m)	Average Rate of Return	Average Deposits (£m)
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 (PWLB 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: AAA/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



Item

BUILDING CLEANING SERVICES PROCUREMENT

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy and Resources Scrutiny Committee

1st July, 2019

Report by:

Joel Carré, Head of Environmental Services

Tel: 01223 - 458201

Email: joel.carre@cambridge.gov.uk

Wards affected:

All

Key Decision

1. Executive summary

The purpose of the report is to advise the Executive Councillor that the existing building cleaning contract is to expire June, 2020, and to seek their approval to re-procure the service.

2. Recommendations

The Executive Councillor is recommended:

- 1. To approve the re-procurement of the Building Cleaning contract, subject to best value considerations**

2. To delegate to the Head of Environmental Services the authority to take delegated decisions to determine the specification, evaluate tenders and award one or more contracts for cleaning, in consultation with the Executive Councillor, Committee Chair and Opposition Spokes.

3. Background

- 3.1 At the Strategy and Resources Committee of 20th January, 2014, the Executive Councillor, with the unanimous support of the Committee, approved the proposal to tender for the Council's building cleaning services across three lots:
- Lot 1: Administration and operational buildings
 - Lot 2: Multi-storey car parks, commercial buildings, community centres and public toilets
 - Lot 3: City Homes communal areas and sheltered housing schemes
- 3.2 This decision was taken, following the results of a soft market testing exercise in late, 2013, to better understand the views of the market in a number of key areas, including how the service areas might be packaged (as a single lot or several lots), length of contract on offer and the apportionment of risk. A total of 13 suppliers, varying in size from local SMEs to regional and national organisations, responded to the 'Request for Information' (RFI). The results of the soft market testing were used to shape the tender specification and associated documentation.
- 3.2 Following an open and transparent procurement process, the Council received three admissible tenders for all three lots, including an 'in house' submission, and, based on the approved price: quality assessment framework (40% price: 60% quality), the contract for all three lots was awarded to Churchill.
- 3.3 As a result of winning the tender for each of the three lots, the 'in house' building cleaning contracted staff (33 FTE, including 1 manager and 2 supervisors) transferred from the Council's to Churchill's employment in accordance with TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006), which protects their terms and conditions. Churchill's delivery of the contract commenced June, 2015, based on a 3 year term,

plus 2 year awarded extension, and ends June, 2020.

3.4 To manage the contract, existing budgets have been pooled across the various building cleaning client service areas to fund a Contract Manager (0.6 FTE). This officer has worked with the support of the various Client Leads for each of the three lots to manage and supervise the delivery of the contract specification and associated quality standards. Monthly contract management meetings are held between the Council and Churchill to monitor and review performance. In addition, a strategic board of senior officers from the Council and Churchill meet bi-annually to review strategic performance and service development issues.

3.5 Although there were performance issues with the first c12 months of the contract's operation, based on subsequent quality assessment results, the general performance of the contract, across all three lots, has been to an acceptable standard.

4. Procurement

4.1 With the current contract ending June, 2020, there is a need to start the procurement process soon, in order to have continuity of service, and to allow adequate time to consider proposals.

4.2 Procurement is proposed to be through a negotiated competitive tender process, with five lots available, separating out the 'specialist' v 'non-specialist' services. The separation out of the two 'specialist' areas of the building cleaning contract into two additional lots, reflects the fact these have been sub contracted by Churchills to other providers under the existing contract, so it may be better value for the Council to procure direct from specialists. :

- Lot 1: Administration, commercial buildings, community centres and operational buildings
- Lot 2: Multi-storey car park and public toilets
- Lot 3: City Homes communal areas, sheltered housing schemes and council housing development sites
- Lot 4: Multi-storey car park deep cleans ('specialist')
- Lot 5: Window cleaning ('specialist')

4.3 Potential service providers will be invited to submit bids for one or more of the five lots, in any combination. The proposed five lot structure provides an optimal balance between giving opportunities for local SMEs

(small to medium enterprises) to bid; and achieving best value from the contract through economies of scale and avoiding sub-contracting costs.

- 4.4 Bids will be evaluated on a price: quality split of 40% price: 60% quality.
- 4.5 The contract will be offered on a 3 year term, with an option to extend for a further 2 years and then a further 2 years again, subject to the supplier performing satisfactorily and the service being shown to continue to provide best value to the Council, giving a maximum possible contract length of 7 years.

5. Other options considered

- 5.1 We have considered the option of bringing the service back in house, and the Council delivering the services directly. This option has been discounted because:
 - a) The Council's costs for both labour and overheads are higher than competitors. This was the case when the service was outsourced and remains the position now; and
 - b) The Council has restructured and reduced its management capacity since the service was outsourced. There is no capacity to carry out the major work required to set up an in-house cleaning service at the present time.
- 5.2 The Council could decide to set up an in-house service to provide one or all of the lots, but the costs incurred in doing so would have to be met by savings elsewhere in the Council, which may include reducing other services.

6. Next steps

- 6.1 The procurement of building cleaning services is being managed as a corporate project, with a designated Project Sponsor (Head of Environmental Services); and Project Manager (Streets and Open Spaces Project Officer), as well as key service leads for Procurement, Legal, Human Resources, Internal Audit, Housing, Car Parks, and Commercial Property.
- 6.2 The project team will review the existing specification and propose revisions, taking into account other corporate changes, including the Asset Management Plan, which may affect what cleaning premises

require in future.

- 6.3 An indicative project plan, including key procurement milestones and delivery timetable, is included in appendix A.

7. Implications

a) Financial implications

There is a risk that the procurement of the building cleaning service will result in a higher cost than the existing contract. This will be managed through the process of specification and negotiation.

b) Staffing implications

The Council will formally write to Churchill to confirm which staff associated with the existing contract are eligible to transfer, under TUPE, to any new contracted supplier for each of the five lots.

c) Equal opportunities implications

An Equalities Impact Assessment (EqIA) is currently being prepared that will inform the final specification.

d) Environmental implications

The specification will set clear standards for minimizing environmental impact, through reducing carbon emission (transport) and use of hazardous chemicals.

e) Procurement

The procurement of the contract will be governed under the Public Contract Regulations 2015, using a Competitive Procedure with Negotiation process. The estimated value of the contract exceeds the relevant threshold contained in the Regulations. In view of this, the Council is required to fully comply with the Regulations and to subject the contract to a level of competition to ensure compliance with the principles of transparency and equal treatment.

In addition, the Council would be required to place an advert in the Official Journal of the European Union (OJEU) together with a further

notice in the OJEU when a contract is awarded, amongst other things compliance of the Council's procurement rules.

f) Consultation and communication

Consultation will take place with Trade Unions, individual officers, the private sector, leaseholders and Housing Regulation Panel at appropriate points in the procurement process.

g) Community Safety

Continued high standards of cleaning have a positive impact on community safety in public toilets and other locations.

6. Background papers

“The Future Delivery of Building Cleaning Services”, Strategy and Resources Committee, 20 January, 2014 (Agenda item 10)

7. Appendices

Appendix A: Building Cleaning Procurement Project Plan - Indicative

8. Inspection of papers

To inspect the background papers, or if you have a query on the report, please contact: Joel Carré, Head of Environmental Services, tel. 01223 458201; and email: joel.carre@cambridge.gov.uk

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Appendix A: Building Cleaning Service Procurement Plan - Indicative

Initial project team meeting	1	31/03/19
Procurement Meeting (start date)	1	01/06/19
Request TUPE information	14	15/06/19
Write Tender Document	28	13/07/19
Publish Tender Document	1	14/08/19
Issue SSQ	35	18/09/19
Evaluate SSQ Response	14	02/10/19
Shortlisting 1	14	16/10/19
Outcome Notification	1	17/10/19
Issue ITT (Stage 2)	14	31/10/19
shortlisting 2	1	01/11/19
Issue ITT (Stage 3)	14	15/11/19
Shortlisting 3	1	16/11/19
Tender report (Final award)	5	21/11/19
Award Decision	1	22/11/19
Outcome Notification	1	23/11/19
Standstill	11	04/12/19
OJEU - Award Notice	1	05/12/19
Award Notice - Contract Finder	1	06/12/19
Award notification	5	11/12/19
Implementation Meeting	1	12/12/19
Implementation period	120	10/04/20
Go Live Date		01/05/20

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Item

INSURANCE SERVICES CONTRACT

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee 01/07/2019

Report by:

Caroline Ryba, Head of Finance

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

Wards affected:

All

Key Decision

1. Executive Summary

- 1.1 The existing contract for Insurance Services expires on 31st March 2020. This report seeks Executive Councillor approval to re-tender in accordance with the Council's Contract Procedure Rules.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 To authorise officers to undertake the re-tendering and award of the Council's Insurance Service contract for an initial 3 years to 31 March 2023 with the Council's option to extend the contract for a further period up to 2 years to 31 March 2025, subject to the preferred tender price being with 10% or less of the approved budget and if necessary to the approval of the Strategic Director to any additional expenditure.

- 2.2 To authorise officers to review the Local Government Mutual offering to establish if this is a viable alternative to the traditional insurance arrangements, the review will also include the Local Government procurement arrangements as the Local Government Mutual will not participate in a formal tender exercise.

3. Background

Insurance Tender

- 3.1 The Council's current 5 year Long Term Agreement for Insurance Services is split across multiple insurers, the agreements expire on 31 March 2020. The Council currently holds the following insurance cover:-
- Casualty Insurance (Liability)
 - Property Insurance
 - Motor Insurance
 - Engineering Insurance
 - Terrorism
 - Additional Specific covers e.g. Computer, Crime, Land Charges
- 3.2 It is intended to structure the procurement by breaking the insurance cover into Lots; this will enable potential bidders to bid for one or more lot increasing the competition.
- 3.3 The Council has chosen to take some risk upon itself by accepting policy excesses, where each claim is met by the insured up to a pre-defined limit. To manage the 'self-insurance' the Council has built up an Insurance Fund to cover any losses up to the pre-defined limits.
- 3.4 The Council has looked into the possibilities of collaborative working on insurance but the differing nature of individual authorities insurance arrangements make this impractical. To realise any financial advantage from a collaborative exercise each participating authority would have to agree on the same levels of cover for all classes of insurance and in addition agree to the same levels of deductibles and self-insurance.
- 3.5 Officers will work with the procurement team and our existing broker to establish the most efficient and competitive procurement route,

the options are utilising a framework contract via a mini competition or undertaking a full OJEU procurement.

Local Government Mutual

- 3.6 Thirteen councils, along with the Local Government Association (LGA), have joined together to establish the new Local Government Mutual. Its aim is to draw on best practice from other mutuals and offers a cost-effective alternative to traditional insurance products and services.
- 3.7 The Local Government Mutual will be run by a board of directors who are elected by the membership, including people with experience in senior local authority positions. The day-to-day management of the mutual is handled by LGM Management Services Limited, a joint venture between LGA Commercial Services Ltd (an LGA group company) and Regis Mutual Management, a leading mutual development and management company.
- 3.8 The Mutual is a hybrid discretionary mutual, the Mutual pools its contribution income, covering the cost of low-level, expected losses and arranging insurance in the name of the members for larger, unexpected losses.
- 3.9 The mutual is yet to sign up its first paying members but is in talks with a number of Councils.
- 3.10 There is still some uncertainty about the Local Government Mutual with a number of questions remaining unanswered at this stage:
- Who are your reinsurers?
 - Which risks are they reinsuring?
 - What do you expect the take up to be in April 2020?
 - What criteria will you use in assessing the risks in front of you?
 - What expertise do you have in underwriting public sector risks?
 - What happens if an authority wishes to leave?
 - Do you have any policy wordings we can see?
 - How do I evidence joining or remaining is best value for my Authority?

We are unsure at this stage whether the anticipated savings on Insurance premium Tax (IPT) will be realised if the majority of cover will in fact be re-insured.

3.11 We are hopeful that these and other questions will be answered as we progress with the tender exercise. We will also communicate with other local authorities

Broker

3.12 The Council intends to retain its existing broker to assist with the tender exercise, the advantages of using a broker to assist with the tender process are: -

- Excellent current understanding of the insurance market.
- A number of the key providers of insurance in the Public Sector may not respond direct to the tender or subsequently deal directly with the City Council if they are successful in the tender process.
- Responses from a number of insurers including engineering insurers; alternative motor insurers and a few other areas will not be forthcoming unless brokers are involved.
- The involvement of brokers will encourage holding insurers to be more competitive.

4. Implications

a) Financial Implications

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The estimated total contract value, for a potential period of 5 years, is £2,850,000. This figure is based on current year costs plus a margin for inflation given the current market.

The funding of brokers to assist with the tender process will be met from the Insurance Fund. It is anticipated that broker costs will be less than £3,000.

b) Equality and Poverty Implications

There are no additional implications from this proposal

c) Environmental Implications

There are no additional implications from this proposal

d) Procurement Implications

There are 2 procurement options available for the Insurance Services Contract:

- a) A full European Union Procurement Procedure where it is anticipated that the procurement route taken will be either the Open or Restricted route.
- b) Utilising the Framework agreement for Insurance Services.

Officers will take advice on the most appropriate route for the procurement taking into account the current market.

e) Community Safety Implications

There are no additional implications from this proposal

5. Consultation and communication considerations

There are no additional implications from this proposal

6. Background papers

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

7. Inspection of papers

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

Karl Tattam, Finance Support Services Manager, tel: 01223 - 458161, email: karl.tattam@cambridge.gov.uk.

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Item

Strategy & Resources Scrutiny Committee

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Finance & Resources Portfolio

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 the Finance & Resources Portfolio:

- 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.

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 As this report is for the 2018/19 outturn the services that were included in the Finance & Resources Portfolio prior to the current year committee restructure are detailed.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 1 July 2019:

- a) Carry forward requests totalling £85,080 revenue funding from 2018/19 to 2019/20, as detailed in **Appendix C**.
- b) Carry forward requests of £3,116k 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 the Finance & Resources Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2017/18 £'000	Finance & Resources Portfolio Revenue Summary	2018/19 £'000	% Final Budget
(5,112)	Original Budget	(5,314)	(102.5)
197	Adjustment – Prior Year Carry Forwards	158	3.0
-	Adjustment – Service Restructure Costs	-	-
180	Adjustment – Earmarked Reserves	51	1.0
(21)	Adjustment – Capital Charges	(42)	(0.8)
-	Adjustment – Central & Support reallocations	86	1.7
3	Other Adjustments	(122)	(2.4)*

(4,753)	Final Budget	(5,183)	(100.0)
(5,502)	Outturn	(6,272)	(121.0)
(749)	(Under) / Overspend for the year	(1,089)	(21.0)
300	Carry Forward Requests	85	1.6
(449)	Resulting Variance	(1,004)	(19.4)

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 this Portfolio 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 the Finance & Resources Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2017/18 £'000	Finance & Resources Portfolio Capital Summary	2018/19 £'000	% Final Budget
24,864	Final Budget	16,512	100.0
19,619	Outturn	6,163	37.3
(5,245)	Variation - (Under)/Overspend for the year	(10,349)	(62.7)
5,060	Rephasing Requests	10,436	63.2
(185)	Variance	87	0.5

3.6 The majority of the rephasing relates to underspends Investment in commercial property portfolio, Cromwell and Mill Road Loans and the Local investment bond.

4. Implications

- 4.1 The net revenue variance from the final budget (see above), would result in a decreased use of General Fund reserves of £1,004k after carry forwards.
- 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:

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

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Finance & Resources Portfolio / Strategy & Resources Committee

Revenue Budget 2018/19 - Outturn

Service Grouping / Cost Centre	Original Budget 18/19 £	Final Budget 18/19 £	Outturn 18/19 £	Variation - Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Accountancy & Support Services						
Accountancy and Support Services	0	0	(38,707)	(38,707)	0	(38,707)
	0	0	(38,707)	(38,707)	0	(38,707)
Admin Buildings						
Depot Management - Indirect	0	116,080	125,331	9,251	0	9,251
Guildhall	450,350	391,170	378,196	(12,974)	0	(12,974)
Hobson House	142,960	84,320	46,923	(37,397)	0	(37,397)
Mandela House	778,950	844,680	850,355	5,675	0	5,675
Admin Building Allocation	(1,387,230)	(1,691,810)	(1,681,530)	10,280	0	10,280
Parsons Court	14,970	14,970	7,617	(7,353)	0	(7,353)
130 Cowley Road	0	137,480	109,447	(28,033)	0	(28,033)
Cowley Road Compound	0	88,570	168,047	79,477	0	79,477
Llandaff Chambers	0	14,540	8,601	(5,939)	0	(5,939)
	0	0	12,987	12,987	0	12,987
Corporate Business						
Corporate Business Processing	0	0	0	0	0	0
Corporate Business Support	0	0	(73,734)	(73,734)	0	(73,734)
Business Support - Centralised Overheads	0	0	(1,804)	(1,804)	0	(1,804)
	0	0	(75,538)	(75,538)	0	(75,538)
Customer Service Centre						
Customer Access Strategy - Customer Service Centre	0	0	(33,302)	(33,302)	0	(33,302)
Central Post Scanning Facility	0	0	0	0	0	0
Cashiers	0	0	28,929	28,929	0	28,929
	0	0	(4,373)	(4,373)	0	(4,373)
Facilities & Other Management						
Quality/Health & Safety Management - Indirect	0	0	(8,988)	(8,988)	0	(8,988)
Facilities Management	0	0	(3,356)	(3,356)	0	(3,356)
	0	0	(12,344)	(12,344)	0	(12,344)
Finance General						
Finance General Recharges	0	0	5,279	5,279	0	5,279
Finance General	(289,270)	(289,270)	(313,985)	(24,715)	0	(24,715)
	(289,270)	(289,270)	(308,706)	(19,436)	0	(19,436)
Head of Finance - Holding/Suspense Accounts						
Shared Payroll Service	0	0	(10,233)	(10,233)	0	(10,233)
Insurance Fund	0	0	0	0	0	0
	0	0	(10,233)	(10,233)	0	(10,233)
Human Resources						
Employee Travel Plan	0	0	(2,203)	(2,203)	0	(2,203)
Salary Sacrifice Schemes	0	0	0	0	0	0
GMB	0	0	(16,680)	(16,680)	0	(16,680)
Unison	0	0	(684)	(684)	0	(684)
Human Resources - Business Support	0	0	10,598	10,598	0	10,598
Human Resources Operations (Staff-General)	0	0	(28,219)	(28,219)	0	(28,219)
Human Resources - Recruitment	0	0	6,451	6,451	0	6,451
Human Resources - Organisational Development	0	0	(53,867)	(53,867)	15,500	(38,367)
	0	0	(84,604)	(84,604)	15,500	(69,104)
Internal Audit						
Audit	0	0	(43,690)	(43,690)	0	(43,690)
	0	0	(43,690)	(43,690)	0	(43,690)
IT Contract Management						
IT Contract Costs	0	0	(226,693)	(226,693)	0	(226,693)
Telephones	0	0	0	0	0	0
	0	0	(226,693)	(226,693)	0	(226,693)
Land Charges						
Land Charges and Searches	108,870	108,870	108,870	0	0	0

	108,870	108,870	108,870	0	0	0
Legal Services						
Legal	0	0	(110,208)	(110,208)	0	(110,208)
3C Legal Practice	0	0	0	0	0	0
	0	0	(110,208)	(110,208)	0	(110,208)
Office Accommodation Strategy						
130 Cowley Road (OAS)	0	0	0	0	0	0
Office Accommodation Strategy Phase 2 - Revenue Set Up Costs	0	98,570	98,567	(3)	0	(3)
	0	98,570	98,567	(3)	0	(3)
Open Space Management						
River Frontage Management	28,420	(6,580)	(22,873)	(16,293)	0	(16,293)
	28,420	(6,580)	(22,873)	(16,293)	0	(16,293)
Procurement						
Procurement	0	0	(19,104)	(19,104)	0	(19,104)
	0	0	(19,104)	(19,104)	0	(19,104)
Property Services						
Llandaff Chambers	36,470	0	0	0	0	0
Dales Brewery	(123,940)	(127,440)	(145,691)	(18,251)	0	(18,251)
The Lion Yard	(1,229,180)	(1,229,180)	(1,211,382)	17,798	0	17,798
Barnwell House Offices	(63,760)	(63,760)	(70,523)	(6,763)	0	(6,763)
Lion Yard - South End	(207,150)	(213,100)	(325,735)	(112,635)	0	(112,635)
Buchan Street Shops	(19,230)	(19,230)	(17,126)	2,104	0	2,104
Jedburgh Court (ex K H Depot)	(29,900)	(29,900)	(37,277)	(7,377)	0	(7,377)
Other Commercial Properties	(1,469,190)	(1,287,540)	(1,443,019)	(155,479)	0	(155,479)
Gwydir St Workshops/Offices	(101,280)	(83,830)	(83,654)	176	0	176
Robert Davies Court	(118,400)	(118,400)	(115,226)	3,174	0	3,174
Ronald Rolph Court	(168,390)	(166,390)	(148,332)	18,058	0	18,058
Barnwell Drive-excl Barnwell House	(202,030)	(204,030)	(207,253)	(3,223)	0	(3,223)
Cheddars Lane	(28,090)	(28,090)	(30,724)	(2,634)	0	(2,634)
Ditton Lane Shops	(57,190)	(57,190)	(60,363)	(3,173)	0	(3,173)
Cowley Road Enterprise Plots	(79,970)	(78,470)	(58,947)	19,523	0	19,523
Orwell House Offices-Internal	(104,920)	(106,420)	(108,884)	(2,464)	0	(2,464)
Orwell Furlong	(109,960)	(109,960)	(111,042)	(1,082)	0	(1,082)
Other Industrial Properties	(1,270,960)	(1,460,610)	(1,486,682)	(26,072)	0	(26,072)
St Anthony/Eligius Almshouse	650	650	360	(290)	0	(290)
Other Domestic Properties	(13,600)	(13,600)	(20,666)	(7,066)	0	(7,066)
Hooper Street Garages	(5,790)	(5,790)	(6,362)	(572)	0	(572)
Other - Land	(142,520)	(142,520)	(145,106)	(2,586)	0	(2,586)
Orchard Park Local Centre	(155,240)	(155,240)	(151,544)	3,696	0	3,696
Cambridge Road Retail Park, Haverhill	(457,320)	(457,320)	(464,199)	(6,879)	0	(6,879)
Henderson House, 4 Lancaster Way, Huntingdon	(325,000)	(325,000)	(326,274)	(1,274)	0	(1,274)
4 Cyrus Way, Cygnet Park, Peterborough	(148,500)	(148,500)	(149,286)	(786)	0	(786)
11, 13 & 17 York Way, Royston	(450,000)	(450,000)	(452,000)	(2,000)	0	(2,000)
The Global Centre, Swanns Road, Cambridge	(69,350)	(69,350)	(70,036)	(686)	0	(686)
	(7,113,740)	(7,150,210)	(7,446,973)	(296,763)	0	(296,763)
Property Services - Other						
Property Services	0	0	(69,583)	(69,583)	69,580	(3)
	0	0	(69,583)	(69,583)	69,580	(3)
Revenues and Benefits						
Rent Allowances & Rent Rebates	(256,230)	(215,680)	(227,933)	(12,253)	0	(12,253)
Local Taxation	841,940	841,940	778,969	(62,971)	0	(62,971)
Housing Benefits	1,231,900	1,295,560	1,297,223	1,663	0	1,663
Revenue Overheads	0	0	0	0	0	0
	1,817,610	1,921,820	1,848,259	(73,561)	0	(73,561)
Strategic Director 1						
Business Transformation Departmental Management	0	0	17,635	17,635	0	17,635
	0	0	17,635	17,635	0	17,635
Sustainable City						
Sustainable City	88,840	88,840	90,904	2,064	0	2,064
Sustainability Grants	44,810	44,810	24,700	(20,110)	0	(20,110)
	133,650	133,650	115,604	(18,046)	0	(18,046)
Total Net Budget	(5,314,460)	(5,183,150)	(6,271,707)	(1,088,557)	85,080	(1,003,477)

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

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) Supplies and services includes local discounts for council tax	(24,715)		Ken Trotter
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)		

**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	

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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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)

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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 £14,519k 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	1,956	8.6

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	14,518	33.6
(1,699)	Variance	(368)	(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 £1,956k.
- 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:

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

Committee / Portfolio	Original Budget 18/19 £000	Final Budget 18/19 £000	Outturn 18/19 £000	Variation Increase / (Decrease) £000	Carry Forward Requests - See Appendix C £000	Net Variance £000
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) Supplies and services includes local discounts for council tax	(24,715)		Ken Trotter
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
	Housing General Fund		
1	No carry forward requests	0	
	Environment - Environmental Health		
2	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	

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)	1,206	(28)
Environment & Community Committee Total	2,453	6,588	3,891	(2,697)	2,450	(247)
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)	14,518	(368)
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)	19,774	(424)

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)	

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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
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:

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)

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
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	0	Project Complete
100088 - SC615	Cherry Hinton Grounds improvements Phase 2 (S106)	Alistair Wilson	0	160	111	(49)	49	0	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)	0	(42)	0	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)	0	Complete Close
100105 - SC633	Reinforcing grass edges along paths across Parker's	Dugald Peebles	0	140	5	(135)	135	0	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)	0	Complete Close
100122 - PR032s	Footbridge across Hobson's Brook at Accordia development	Alistair Wilson	0	8	10	2	(2)	0	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	0	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	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	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	0	Project Complete
100183 - PR040y	Public Art Grant - Rhyme, Rhythm & Railways	Nadine Black	0	5	5	0	0	0	0	Project Complete
100184 - PR040w	Public Art Grant for Menagerie Theatre Company	Nadine Black	4	11	10	(1)	0	(1)	0	Project complete
100185 - PR040v	Public art grant for Pink Festival Group	Nadine Black	0	7	8	1	0	1	0	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	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	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	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	0	Project complete
100203 - PR042g	To the River - artist in residence (S106)	Nadine Black	0	117	32	(85)	85	0	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)	0	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	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	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	0	Project complete, no further spend anticipated.
100211 - PR032v	Gunhild Close play area improvements (S106)	Alistair Wilson	0	50	55	5	0	5	0	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	0	Project complete, no further spend anticipated.
100213 - PR030q	Lichfield Rd play area improvements (S106)	Alistair Wilson	0	45	49	4	0	4	0	Project complete, no further spend anticipated.
100214 - PR030r	Brothers' Place landscaping & natural play improvements	Alistair Wilson	0	8	9	1	0	1	0	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)	753	(28)	

Total	476	2,520	1,286	(1,234)	1,206	(28)
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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.
00225 - 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

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
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

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget	
							2019/20 £000's	2020/21 £000's	2021/22 £000's	Post 2021/22 £000's	2019/20 £000's	
General Fund Housing Capital Spend												
Investment in Non-HRA Affordable Housing	0	0	0	0			0	0	0	0		0
Other General Fund Housing	803	848	785	(63)	72	1	72	0	0	0		920
Total General Fund Housing Capital Spend	803	848	785	(63)	72		72	0	0	0		920
HRA Capital Spend												
Decent Homes Programme	6,016	6,995	4,906	(2,089)	2,189	2	940	0	0	1,249		8,074
Other Spend on HRA Stock	2,633	2,381	1,074	(1,307)	1,009	3	1,009	0	0	0		3,476
HRA New Build	25,648	22,761	21,395	(1,366)	1,466	4	1,466	0	0	0		39,329
HRA Acquisition	0	156	520	364	0	5	0	0	0	0		0
City Homes Estate Improvement Programme	0	0	0	0	0		0	0	0	0		1,000
Sheltered Housing Capital Investment	3,428	2,794	2,815	21	(21)	6	(21)	0	0	0		915
Other HRA Capital Spend	1,005	821	192	(629)	298	7	298	0	0	0		928
Inflation Allowance	1,572	243	0	(243)	243	8	243	0	0	0		2,190
Total HRA Capital Spend	40,302	36,151	30,902	(5,249)	5,184		3,935	0	0	1,249		55,912
Total Housing Capital Spend	41,105	36,999	31,687	(5,312)	5,256		4,007	0	0	1,249		56,832
Housing Capital Resources												
Right to Buy Receipts (General Use)	(532)	(407)	(334)	73	0	9	0	0	0	0		(411)
Right to Buy Receipts (Retained for New Build / Acquisition)	(5,068)	(5,912)	(3,526)	2,386	0	9	0	0	0	0		(8,775)
Right to Buy Receipts (Debt Set-Aside)	0	0	(735)	(735)	0	9	0	0	0	0		0
Other Capital Receipts (Land and Dwellings)	0	0	(521)	(521)	0	10	0	0	0	0		0
MRA / MRR	(17,063)	(7,864)	(7,602)	262	(262)	11	(262)	0	0	0		(21,012)
Client Contributions	0	0	(84)	(84)	0	12	0	0	0	0		0
Direct Revenue Financing of Capital (Including R&R)	(503)	(597)	(727)	(130)	0	13	0	0	0	0		0
Other Capital Resources (Grants / Shared Ownership / Loan Repayments)	(12,734)	(16,221)	(16,043)	178	(207)	14	(207)	0	0	0		(22,922)
Prudential Borrowing	0	0	0	0	0		0	0	0	0		0
Total Housing Capital Resources	(35,900)	(31,001)	(29,572)	1,429	(469)		(469)	0	0	0		(53,120)
Net (Surplus) / Deficit of Resources	5,205	5,998	2,115	(3,883)			3,538	0	0	1,249		3,712
Capital Balances b/f	(32,257)	(35,823)	(35,823)									(10,745)
Use of / (Contribution to) Balances in Year	5,205	5,998	2,115				3,538	0	0	1,249		3,712
Set-aside for future Debt Redemption	8,410	8,296	9,031			9						
Ear-marked for specific Retained Right to Buy Receipts 1-4-1 Investment	15,493	16,391	13,932			9						
Residual capital resources remaining to fund future Housing Investment Programme	(3,149)	(5,138)	(10,745)									(7,033)

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).

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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