



Cambridge City Council
Strategy and Resources Scrutiny Committee

Date: Monday, 7 October 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 - 24)
- 4 Public Questions
- 5 To Note Record of Urgent Decision Taken by the Executive Councillor for Finance and Resources
- 5a Acquisition of long leasehold interest in Units 1-10, Nuffield Close, Nuffield Road Industrial Estate, Cambridge, CB4 (Pages 25 - 34)
- 5b Kings Parade (Pages 35 - 38)

Decisions for the Executive Councillor for Strategy and External Partnerships

- 6 Combined Authority Update (Pages 39 - 48)
- 7 Shared Services Joint Scrutiny
At its 1 July meeting, the scrutiny committee received the annual reports on shared services for 3C ICT, Legal and Internal Audit services. Following scrutiny by the committee, in addition to noting the annual reports, the Executive Councillor for Finance and Resources approved the proposal to bring a report to the October Committee on joint scrutiny (across the shared service authorities). However, a report will not be available for this committee and the Executive Councillor for Strategy and External Partnerships will provide a verbal update to the scrutiny committee instead.

Decisions for the Executive Councillor for Finance and Resources

- | | | |
|----|--|-------------------|
| 8 | Corporate Fire Risk Management Strategy & Policy | (Pages 49 - 92) |
| 9 | Temporary Agency Worker Provision from December 2019 | (Pages 93 - 104) |
| 10 | Local Government Ombudsman Case ID 18005464 Decision | (Pages 105 - 120) |
| 11 | Review of Council Tax Reduction Scheme | (Pages 121 - 156) |
| 12 | General Fund Medium Term Financial Strategy 2019 | (Pages 157 - 206) |
| 13 | Cambridge Junction Redevelopment RIBA Stage 1 Works | (Pages 207 - 220) |

Appendices 1 and 2 to the report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

- | | | |
|----|---|-------------------|
| 14 | Park Street Car Park Redevelopment Update on Final Scheme | (Pages 221 - 264) |
|----|---|-------------------|

The report and appendices contain 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.

- | | | |
|----|---|-------------------|
| 15 | Treasury Management Half Yearly Update Report 2019/20 | (Pages 265 - 282) |
|----|---|-------------------|

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)

Information for the public

The public may record (e.g. film, audio, tweet, blog) meetings which are open to the public. For details go to:

www.cambridge.gov.uk/have-your-say-at-committee-meetings

For full information about committee meetings, committee reports, councillors and the democratic process:

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

This page is intentionally left blank

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

1 July 2019
5.00 - 8.50 pm

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

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: Suzanne Hemingway
Head of Corporate Strategy: Andrew Limb
Head of Environmental Services: Joel Carré
Benefits Manager: Naomi Armstrong
Head of Finance: Caroline Ryba
Head of Property Services: Dave Prinsep
Head of Shared Internal Audit: Jonathan Tully
Committee Manager: Sarah Steed

FOR THE INFORMATION OF THE COUNCIL

19/28/SR Apologies for Absence

Apologies were received from Councillor Todd-Jones. Councillor Davies was present as the alternate.

19/29/SR Declarations of Interest

No declarations were made.

19/30/SR Minutes

The minutes of the meeting held on 11 February, 25 March, 22 May 2018 were agreed and signed as a correct record.

19/31/SR Public Questions

A representative from GMB Union made the following comments in relation to the Building Cleaning contact (agenda item 11):

- i. Expressed concern that there was no internal bid for the Building Cleaning contract.
- ii. They had carried out a survey which showed that staff were not happy and felt poorly treated, no training had been offered to staff. Asked what the council were doing to monitor staff training to make sure that staff morale was kept up.
- iii. Asked for confirmation that the council would pay no less than £10 per hour and stated that this should be included within the tender specification.
- iv. Asked why the cost of labour and overheads would be higher for the council to deliver the service than competitors.
- v. Commented that if the council did not go out to tender then it could use the money saved in procurement costs to bring the service back in-house.
- vi. Would like to see this service brought back in-house.
- vii. Asked the committee to consider an in-house bid and keep all options open and to include the requirement to pay staff £10 per hour.

The Strategic Director said the following:

- i. Regarding the poor treatment of workers under the building cleaning contract; the council needed to be interested but responsibility for the workers lay with the contractor.
- ii. It was important that the council monitored the contract effectively.
- iii. The procurement regulations prevented the council submitting an in-house bid for the building cleaning contract.
- iv. The new Head of Transformation role was not appropriate to manage the day to day business of the building cleaning contract.
- v. Bringing Cambridge Live in-house was a different matter; the council intervened to protect services to the public as these were at risk of being lost.
- vi. If the council delivered the building cleaning services itself, the increased costs would need to be off-set somewhere else. Specialist cleaning equipment would need to be purchased as the council does not own this and was provided by the current contractor.

The Head of Environmental Services clarified that the saving on the building cleaning contract of £180,000 was over the 4 year period of the contract and was not a saving of £180,000 for each year of the contract.

A representative from Unison made the following comments:

- i. Was concerned about the treatment of staff who undertook the building cleaning contract. There was poor morale amongst staff, this showed in the quality of service provided, she would continue to monitor and would report back on this.
- ii. Felt the building cleaning contract could be brought back in-house and this was why the contract costs were being challenged.
- iii. Morally there should be a requirement within the building cleaning contract specification to pay staff a minimum of £10 / hour and contractors should be required to do this too.

The Strategic Director said the following:

- i. Under the 2015 procurement regulations the council itself could not bid for the contract.

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

19/32/SR Annual Report 2018/19 on the Corporate Plan

Matter for Decision

The Officer's report set out progress made during 2018/19 on implementing the objectives set out in the Corporate Plan 2016-19.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Noted the achievements during third year of the Corporate Plan 2016 to 2019 and agreed the annual report be published.
- ii. Agreed to the annual report being reported alongside the annual complaints report, to one committee in future years.

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 made the following comments in response to the report:

- i. Commented that the report was drafted from the glass half full perspective and the report needed to contain more information. For example Appendix A on p49 of the agenda referred to the requirement to provide 40% affordable housing. The delivery of 40% affordable housing was expected from all developers and not just the council when it was developing a site. Commented that the 'Dual Diagnosis Team' had ceased to exist. Referred to recycling rates (on p68 of the agenda) which were over 50% and questioned if this was the City Council's recycling rate or whether it was a joint recycling rate with South Cambs District Council (SCDC) as SCDC tended to have a better recycling rate. Commented that it would be better to have a rolling average to compare the recent figures with.
- ii. Referred to p67 of the agenda and the investment in solar panels.

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

- i. He would liaise with the Planning Service to find out whether all developers delivered 40% affordable housing on development sites.
- ii. It had been a couple of years since the shared waste service had been operating so recycling rates for SCDC and City had been combined for some time.
- iii. He would liaise with the Head of Environmental Services regarding the queries relating to Streets and Open Spaces.

The Chief Executive referred members to p66 and p76 of the agenda which contained information about the Council's own emissions.

The Strategic Director confirmed that further funding has been identified by the Council and hoped that the service would be up and running again soon.

The Benefits Manager stated that the council had moved away from council tax benefit to a council tax reduction scheme following the introduction of universal credit.

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.

19/33/SR Combined Authority Update

Matter for Decision

The Officer's report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority since the 25 March Strategy and Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Noted the update provided on issues considered at the meetings of the Combined Authority held on the 27 March and 29 May and 26 June 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.

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

- i. Referred to p95 of the agenda, which noted that the non- statutory spatial framework had been withdrawn. Asked whether this would impact on the City Council's Local Plan process.
- ii. Referred to p97 of the agenda and queried whether the work being done on skills by the Combined Authority was the same as that done by the Greater Cambridge Partnership (GCP).
- iii. Expressed their view that the City Council did not need to be part of a Combined Authority to bid for Housing Infrastructure Funding (HIF).
- iv. Expressed concern regarding the speed and progress of Combined Authority projects. From March 2019 a significant number of projects

that the Combined Authority was involved with were still at an early stage.

- v. Commented that the Combined Authority had spent a lot of money on consultants and that limited progress appeared to have been made 'on the ground'.

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

- i. Understood that the non-statutory spatial framework was due to go back to the Combined Authority Board in September. This was not a binding document. The Combined Authority needed to be clearer what its ambitions were regarding housing.
- ii. Work undertaken by the Combined Authority on skills was a wider skills strategy, they were putting more funding into further education. Their growth company was going to bid for a further £2 million funding. The GCP tended to focus more on apprenticeships.
- iii. Commented that if members looked in detail at large HIF bids, only a Combined Authority were allowed to bid for this level of funding. ie: over £100 million. The City Council would not have been able to bid for that level of funding had it not been part of a Combined Authority.
- iv. The Combined Authority had big ambitions; some delays were as a result of the amount of time that Central Government was spending on Brexit. There was no dialogue regarding Cambridge South train station, this was meant to be completed by 2025 but Central Government and Network Rail were silent. Cambridge needed the Cambridge South train station and proof could be given by the success of Cambridge North train station.
- v. To be effective in securing funding, the Combined Authority still needs to do much more work on prioritising projects.

The Committee noted the update.

The Executive Councillor noted the update.

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

No conflicts of interest were declared by the Executive Councillor.

19/34/SR 2018/19 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances - S&EP

Matter for Decision

The report gave a summary of actual income and expenditure compared to the final budget for 2018/19 (outturn position). The report outlined the revenue and capital budget variances with explanations. It outlined specific requests to carry forward funding available from budget underspends into 2019/20.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Agreed to carry forward requests totalling £651,630 revenue funding from 2018/19 to 2019/20, as detailed in **Appendix C**
- ii. Agreed to carry forward requests of £437k capital resources from 2018/19 to 2019/20 to fund rephased net capital spending, as detailed in **Appendix D**.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

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

- i. Noted that savings were budgeted for but that these weren't quite achieved.
- ii. Questioned what stopped savings being made as part of the support services review.

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

- i. Savings were expected to be made on support services through contracts and procurements; some savings were delivered but unfortunately they were not able to achieve as many savings as had been budgeted for.

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.

19/35/SR 3Cs Shared Service annual reports - ICT, Legal and Internal Audit**Matter for Decision**

The Officer's report summarised the performance for the 3Cs ICT, Legal Shared Services and the Greater Cambridge Shared Internal Audit Service during 2018/19.

Decision of Executive Councillor for Finance and Resources

- i. Noted the content of the report.
- ii. Agreed to bring a report to the next 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 Committee made the following comments in response to the report:

- i. Asked whether there were plans to reapply for the Lexcel accreditation for the Legal Service.
- ii. Asked about the weakness of customer feedback for Legal Services and what percentage of staff responded to the request for feedback.
- iii. Referred to p121 of the agenda and two significant ICT service disruptions and queried whether the correct key performance indicators (KPIs) were in place.
- iv. Noted across the shared services that there were issues with recruitment.
- v. Noted that the Legal Services had made savings of £200,000 and commented that the service had been doing well in difficult times.

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

- i. Legal Services were unable to apply for the Lexcel accreditation because there was a requirement for separate systems that the service was unable to achieve. It was however a good exercise to undertake to check their standards against.

- ii. Legal Services had a 30% client satisfaction survey return rate. As part of the intelligent client process he wanted to encourage more officers to provide feedback on the service regardless of whether this was good or bad.
- iii. Acknowledged that there was an issue with recruitment, but that this wasn't limited to the council. He was working with the Head of HR to try and make jobs as attractive as we could.

The Head of ICT said the following in response to members' questions:

- i. Although there had been outages these were not significant in the overall delivery of the service.
- ii. The Council Anywhere project was underway and there were no specific KPIs for this project. Acknowledged that this project had encountered delays but the project was being carefully managed by officers.

The Executive Councillor made the following comments:

- i. He was trying to get the shared services reports standardised.
- ii. Asked for reports to provide information on savings for each council for future reports.
- iii. Acknowledged that the service outages did mean that staff were not able to work effectively for several days.

The Committee unanimously resolved to endorse the recommendations.

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.

19/36/SR Review of Council Tax Reduction Scheme and Discounts

Matter for Decision

The officer's report outlined proposals for a consultation process for the review of the local Council Tax Reductions Scheme.

Decision of Executive Councillor for Finance and Resources

- i. Agreed outline proposals and consultation process for the review of the local Council Tax Reduction Scheme

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 Benefits Manager.

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

- i. Noted the challenges faced by the service with the roll out of Universal Credit.

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.

19/37/SR Annual Treasury Management (Outturn) Report 2018/19**Matter for Decision**

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

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

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

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

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

Decision of Executive Councillor for Finance and Resources

- i. Recommended to Council to approve the report which included the Council's actual Prudential and Treasury Indicators for 2018/19.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

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

- i. Queried whether the New Homes Grant was included within the figure contained on p145 of the agenda.

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

- i. The New Homes Grant was revenue but there was the ability to use it for capital.

The Committee unanimously resolved to endorse the recommendations.

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.

19/38/SR Building Cleaning Contract Procurement**Matter for Decision**

The existing building cleaning contract is due to expire June 2020, the Executive Councillor's approval was sought to re-procure the service.

Decision of Executive Councillor for Finance and Resources

- i. Asked Officers to develop proposals for the new contract on the feasibility of paying at least £10 / hour to contracted staff; to ensure that the evaluation of the current contract is used to inform the specification

for the new contract; and to prepare a stringent contract monitoring plan for Year One of the next contract

- ii. Approved the re-procurement of the Building Cleaning contract, subject to best value considerations.
- iii. Delegated to the Head of Environmental Services authority to take decisions to determine the specification, evaluate tenders and award one or more contracts for cleaning in consultation with the Executive Councillor, Chair and Opposition Spokes.

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 Environmental Services.

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

- i. Expressed sympathy with the comments made by the unions during the public question slot. Having read the report could not see why the recommendation could not be approved and the Executive Councillor asked to do some further investigation, the main issue seemed to be management. Commented that with a 0.6 FTE (full time equivalent) post and 5 client managers there should be sufficient capacity to manage the contract in house. An in-house bid should be permitted.
- ii. Questioned if the capacity pressure changed as the tender had been split into 5 different lots.
- iii. Expressed concerns regarding a desire to sub-contract to make savings as there was no requirement to require sub-contractors to pay £10/hour to staff.
- iv. Commented that the previous contract was able to have an in-house bid because people were employed by the council as this service was currently contracted out, an in-house bid could not be submitted.

The Strategic Director and Head of Environmental Services' said the following in response to Members' questions:

- i. Under the 2015 procurement regulations the council itself could not bid for the contract.

- ii. Commented that significantly more resource would be required to manage the building cleaning contract if it was undertaken in house than 0.6 FTE.
- iii. The different lots had been proposed because the cleaning contract was specialist work and might enable more people to be able to submit a bid. The current contractor sub-contracted parts of the cleaning contract due to the specialist nature of the work.
- iv. The current procurement policy required the council to pay the real living wage, if they changed the requirement for this contract it could have a dramatic effect on other contracts which would be coming up for re-procurement in the coming years.
- v. Had the ability to make an assessment if the service was in –house whilst the procurement proceeds but this came with risks. The issue was to do with capacity to do the work and how this would fit into the management structure of the council, 4 years after the service was contracted out. Staff would be on different terms and conditions and it would take time to harmonise these. Performance Management would also require managerial time.

The Executive Councillor made the following comments:

- i. He wanted to make sure that the contract was monitored properly.
- ii. When the contract was let in 2015, the existing contractor came on good references but did not live up to these immediately. Strict contract management needed to be in place.

The Executive Councillor proposed an additional recommendation to become new (i) to:

- i. Ask Officers to develop proposals for the new contract on the feasibility of paying at least £10 / hour to contracted staff; to ensure that the evaluation of the current contract is used to inform the specification for the new contract; and to prepare a stringent contract monitoring plan for Year One of the next contract.

On a show of hands the Committee unanimously approved the amendment.

The Committee approved the recommendations:

- Unanimously to endorse recommendation i
- Unanimously to endorse recommendation ii
- By 3 votes to 2 to endorse recommendation iii.

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.

19/39/SR Insurance Services Contract

Matter for Decision

The existing Insurance Services contract is due to expire 31 March 2020, the Executive Councillor's approval was sought to re-tender the service in accordance with the Council's Contract Procedure Rules.

Decision of Executive Councillor for Finance and Resources

- i. Authorised 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 seek the approval of the Strategic Director to any additional expenditure.
- ii. Authorised 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.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

The Committee 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.

19/40/SR 2018/19 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances - Finance and Resources**Matter for Decision**

The report presented a summary of actual income and expenditure compared to the final budget for 2018/19 (outturn position). The report gave an overview of the revenue and capital budget variances with explanations and outlined specific requests to carry forward funding available from budget underspends into 2019/20.

Decision of Executive Councillor for Finance and Resources

- i. Approved carry forward requests totaling £85,080 revenue funding from 2018/19 to 2019/20 as detailed in Appendix C of the officer's report.
- ii. Approved 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 of the officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

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

- i. Referred to the £50k payment an ICT creditor on p186 of the agenda.
- ii. Acknowledged the savings which had been made by the Legal Services Department.
- iii. Queried whether the Property Department was under budgeting for income and being overly prudent which meant that services were proposed to be cut when they didn't need to be.

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

- i. Confirmed that no payment was due to the council from the ICT contract.

- ii. Budgeting for property income was not straight forward due to rent reviews and some rents that depend on the turnover of the tenant. An experienced Accountant works with the Head of Property Services to review the property portfolio annually to calculate budgets.

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.

19/41/SR 2018/19 General Fund (Overview) Revenue and Capital Outturn, Carry Forwards and Significant Variances

Matter for Decision

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

Decision of Executive Councillor for Finance and Resources

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

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 Officer updated her report:

- i. Referred to p225 of the agenda and stated that the Mill Road cemetery access and main footpath rephasing should show a carry forward of £20,000 which had been omitted.
- ii. Referred to p194 of the agenda and the carry forward request contained in recommendation 2.b, this should read: Carry forward requests of £14,539k ~~£14,519k~~ capital resources from 2018/19 to 2019/20 to fund rephased net capital spending, as detailed in Appendix D of the officers report.
- iii. Referred to p195 of the agenda and the variance and increased use of General fund Reserves figure, this should read £1214k and not £1956k.

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

- i. Queried the Bereavement Service's loss in income and what the service's future plans were.
- ii. Commented that green burial sites were getting more popular and perhaps the council should look into this.
- iii. Referred to Appendix D to the report and the number of significant carry forwards on capital, this year it was £14 million and last year it was £10 million. Queried whether there was an issue on project delivery and whether the growing backlog meant there was no capacity to deliver projects.
- iv. Referred to p223 of the agenda and the vehicle replacement programme.

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

- i. Work on the A14 had led to a decline in demand for the crematorium service. This should recover when the road re-opened. The City Council expected some compensation from Highways England.
- ii. Income levels may not recover fully to pre-A14 work levels due to competition from another crematorium in the area.
- iii. The City Council Crematorium should benefit from A14 road works in the long term as it would be in a better location.
- iv. With regards to the query about rephasing, items are rephrased for a number of reasons, including those outside the control of the council. There were relatively few underspends which were released back into revenue.
- v. Treasury Management Capital loans were those due to be given to Cambridge Investment Partnership (CIP) and a local bond to Allia, this was where large rephasing on financial transactions had taken place.
- vi. The Head of Commercial Services was undertaking a review of the Council's fleet vehicles.

The Chief Executive commented that the Bereavement Service was looking at income generating options, for example potential investment in a café at the crematorium. The service would also look at developing their marketing practices and relationships that they had with funeral directors.

The Executive Councillor commented that most of the capital carry forwards were loans and bonds associated with the Cambridge Investment Partnership (CIP) and Allia.

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.

19/42/SR Property Review

The Officer's report set out a proposal entitled Property Review.

Decision of Executive Councillor for Finance and Resources

- i. Approved the 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 3 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

The Committee resolved (by 2 votes to 2 and on the Chair's casting vote) 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.

19/43/SR Park Street

The Chair ruled that under 100B(4)(b) of the Local Government Act 1972 the late item from the Strategic Director be considered despite not being made publicly available for this committee five clear days prior to the meeting.

The Officer's report set out a proposal entitled Park Street.

Decision of Executive Councillor for Finance and Resources

- i. Approved the 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 3 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

The Committee resolved (by 3 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 8.50 pm

CHAIR

This page is intentionally left blank

Agenda Item 5a

CAMBRIDGE CITY COUNCIL
Record of Executive Decision

Decision of:	Councillor Robertson, Executive Councillor for Finance and Resources	
Reference:	19/URGENCY/SR/6	
Date of decision:	17 July 2019	Recorded on: 17 July 2019
Decision Type:	Key Decision	
Matter for Decision:	Consider the acquisition of long leasehold interest in Units 1-10, Nuffield Close, Nuffield Road Industrial Estate, Cambridge, CB4 1SS	
Why the decision had to be made (and any alternative options):	The vendor, required the transaction to complete within 20 working days from receipt of contract documentation and has only offered exclusivity for this period.	
The Executive Councillor's decision(s):	Approve the purchase of Units 1-10 Nuffield Close, Cambridge, for £5.0m plus acquisition costs.	
Reasons for the decision:	As detailed in the Officers report.	
Scrutiny consideration:	The Chair and Spokesperson of Strategy and Resources Scrutiny Committee were consulted prior to the action being authorised.	
Report:	A briefing note was submitted to the Executive Councillor (Chair and spokes) and is attached to this decision.	
Conflicts of interest:	None	
Comments:	The decision will be reported back to the Strategy and Resources Scrutiny Committee on 7 October 2019.	

This page is intentionally left blank

To: Councillor: Mike Davey - Chair Richard Robertson – Executive Councillor for Finance & Resources Jamie Dalzell – Opposition Spokesperson To Officer: Caroline Ryba – Head of Finance	Return to: Dave Prinsep Head of Property Services The Guildhall Cambridge CB2 9QJ
Date: 9 July 2019 E-mail: dave.prinsep@cambridge.gov.uk	Tel: 7318



MEMBER CONSULTATION

This is a formal consultation letter seeking your views in the following circumstances:

- ✓ Councillors: your views are sought on a matter which officers are required to consult you prior to exercising delegated powers.

Please reply in writing by **12 noon on 15 July 2019** by completing and returning one copy of this consultation letter.

Subject : Acquisition of long leasehold interest in Units 1-10, Nuffield Close, Nuffield Road Industrial Estate, Cambridge, CB4 1SS.

Background: The Strategy and Resources Scrutiny Committee on 10/10/2016 approved the allocation of £20.0m for investment in acquiring commercial property through the General Fund Medium-Term Financial Strategy, £1.2m remains.

An opportunity has arisen for a strategic acquisition of a long leasehold interest where the Council already owns the freehold. The purchase price of £5.0m plus costs will require £4.13m in additional funding, which will be recouped through the disposal of various assets approved for disposal over the next two years as part of the Commercial Property Portfolio Review.

Units 1-10 Nuffield Close is a multi-let industrial/trade-counter estate investment, comprising 2,903 sq.m (31,242 sq.ft). The existing long lease will be surrendered with the council inheriting the six under-leases, generating additional income of £272,672 per annum, once the ground rent is deducted.

The acquisition does offer strategic benefits, being within the Cambridge Northern Fringe East Area Action Plan area and the possibility of residential redevelopment in the medium to long term.

Recommended Action: The Executive Councillor is recommended to approve the purchase of Units 1-10 Nuffield Close, Cambridge for £5.0m plus acquisition costs.

Member Response:

I support / do not support the action recommended above.

Member Comments/Reason:

Signed Councillor Page 27 Date.....



To: Executive Councillor for Finance and Resources:
Councillor Richard Robertson
Report by: Philip Taylor – Principal Property Surveyor
Relevant scrutiny committee: Strategy & Resources Scrutiny Committee
Wards affected: All

Acquisition of Units 1-10, Nuffield Close, Nuffield Road Industrial Estate, Cambridge, CB4 1SS

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

1. Executive summary

- The Strategy and Resources Scrutiny Committee on 10/10/2016 approved the allocation of £20.0m for investment in acquiring commercial property through the General Fund Medium-Term Financial Strategy, £1.2m remains.
- An opportunity has arisen for a strategic acquisition of a long leasehold interest where the Council already owns the freehold .The purchase price of £5.0m plus costs will require £4.13m in additional funding, which will be recouped through the disposal of various assets approved for disposal over the next two years as part of the Commercial Property Portfolio Review. The vendor, Aviva Investors, is insisting on the transaction completing within 20 working days from receipt of contract documentation and has only offered exclusivity for this period.
- Units 1-10 Nuffield Close is a multi-let industrial/trade-counter estate investment, comprising 2,903 sq.m (31,242 sq.ft). The existing long lease will be surrendered with the council inheriting the six under-leases, generating additional income of £272,672 per annum once the ground rent is deducted.
- The acquisition does offer strategic benefits including greater control, being within the Cambridge Northern Fringe East Area Action Plan area and the possibility of residential redevelopment in the medium to long term.

2. Recommendations

The Executive Councillor is recommended to:-

- 2.1 Approve the purchase of Units 1-10 Nuffield Close, Cambridge, for £5.0m plus acquisition costs.

3. Background

- 3.1 The 'Commercial Property Investment' report to the Strategy & Resources Scrutiny Committee on 19/01/2015 set out objectives to be met in relation to any investment acquisition.
- 3.2 The proposed purchase will meet those objectives with the exception of its EPC ratings - see 4.7.
- The Council is the freeholder of Nuffield Road Industrial Estate, having significant landholdings in the vicinity along Cowley Road, which all form part of the Cambridge Northern Fringe East Action Plan.
 - Light industrial units with trade counter and ancillary offices within Use Class B1(c) & B8, which complement the existing property portfolio as the type and size, 290 sq.m (3,129 sq.ft) to 376 sq.m (4,064 sq.ft.) is currently under represented and will provide mid-size units, allowing step-up/follow on space from our existing industrial estates.
 - A strategic acquisition of a long leasehold multi-let estate with 61 years to run (with an option to extend by 26 years) so opportunity for the Council to acquire an enhanced investment return and greater control over a key site.
 - The property is let in accordance with the tenancy schedule (Appendix 1), generating £340,840 per annum gross, on full repairing and insuring terms, with a fully recoverable service charge provision for the management of the communal estate.
 - The tenants have the following D&B ratings, with 88% of income rated 1 and 2 being minimum and lower than average risk.

Unit No.	Tenant	Rating
1	CityFibre Ltd	5A3
2	Saint-Gobain Building Distribution Ltd.	A2
3-4	CityStay Ltd.	5A1

5	Verizon UK Ltd.	5A1
6	Sodexo Ltd.	5A1
7-10	Howden Joinery Properties Ltd.	1A1

- Expected rate of return achieves our minimum net initial yield of 5.10% after taking acquisition costs including SDLT into account. There is such a strong demand for multi-let industrial estates in Cambridge that yields have been driven down significantly over the last couple of years, with the limited supply and shift in demand from retail and office sectors.

3.4 The property was constructed in the early 1980's. The accommodation extends to 2,903 sq.m (31,242 sq.ft.), in three blocks, totalling 10 units with yard and parking. The property is in satisfactory condition for its age and construction.

3.5 Located to the North of Cambridge city centre, just off Milton Road with easy access to the A14. This is an established commercial location adjacent to Cambridge Business Park and close to Cambridge Science Park, St. John's Innovation Park and Cowley Road Industrial Area.

3.6 The acquisition represents a strategic acquisition in the context of the Council's adjoining land ownership and opportunity to invest in the existing property portfolio. As Cambridge grows, there will be pressure on B1(c) and B8 uses and so it is expected that demand for this type of use will increase, given the limited industrial supply.

3.3 A conditional offer of £5.0m, has been accepted subject to:

- Contract
- Verification of the information contained within the tenancy schedule.
- 20 day exclusivity period.
- Satisfactory measured, building and desktop environmental surveys
- Surrender of the existing head-lease.

4. Implications

(a) Financial Implications

4.1 The purchase price of £5.0m will be subject to Stamp Duty Land Tax, agents and survey fees, totalling £335,000.

- 4.2 The purchase will be funded, initially through borrowing from reserves, pending the disposal of other commercial property as was approved at Strategy and Resources Scrutiny Committee on 1st July 2019.
- 4.3 The property produces £340,840 per annum. The initial return will be 5.1% taking into account acquisition costs and future ground rent, being £68,168 per annum based upon 20% of income, which will cease when the existing lease is surrendered.
- 4.4 Minimum Revenue Provisions (MRP) of 2.5% will be applied to £1.2m and the balance until the disposal programme is complete. MRP represents the minimum amount that must be charged to an authority's revenue account each year for financing of capital expenditure.
- 4.5 The property is elected for VAT. However the purchase will be treated as a Transfer of a Going Concern (TOGC) so VAT won't be applied to the purchase price.

(b) Staffing Implications

- 4.6 Property Services is tasked with identifying and reviewing investment opportunities and undertaking due diligence in conjunction with MP Real Estate.
- 4.7 Day to day management will be dealt with by the Property Services team with existing resources.

(c) Equality and Poverty Implications

- 4.8 An Equality Impact Assessment has not been conducted as this will be an acquisition of tenanted commercial property to generate an income stream. We believe the property to be compliant with current DDA requirements.

(d) Environmental Implications

- 4.9 The majority of the units fall below our minimum 'C' EPC criteria with Units 7-10 being F rated. As the assessments were undertaken before the current tenants fit-out, it would seem prudent to obtain up to date reports to understand if improvements have already been made. The original reports did provide a number of 'high' impact improvements so we envisage that the ratings can be enhanced at minimal cost. The current investment criterion does allow variance from this requirement where an investment represents a strategic acquisition, for example where there is adjoining ownership or an opportunity for future re-development.

Unit No.	Tenant	EPC Rating (date of)
1	CityFibre Ltd	E101 (08/2013)
2	Saint-Gobain Building Distribution Ltd.	D82 (09/2011)
3-4	CityStay Ltd.	D78 (08/2013)
5	Verizon UK Ltd.	D96 (08/2013)
6	Sodexo Ltd.	C75 (09/2011)
7-10	Howden Joinery Properties Ltd.	F142 (03/2011)

(e) Procurement

4.10 The acquisition was brokered by MP Real Estate and agency fees based on 0.75% of the purchase price will be payable.

(f) Consultation and communication

4.11 This is a specialised area and no public consultation has taken place.

(g) Community Safety

4.12 There are no Community Safety implications.

5. Background papers

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

Strategy & Resource Scrutiny Committee – Commercial Property Investment Report 19/01/2015

General Fund Medium-Term Financial Strategy 10/10/2016.

Strategy & Resource Scrutiny Committee – General Fund Property Review 01/07/2019

6. Appendices

Appendix 1 - Tenancy Schedule.

7. Inspection of Papers

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

Author's Name: Philip Taylor
Author's Phone Number: 01223 – 457431
Author's Email: philip.taylor@cambridge.gov.uk

Appendix 1 - Tenancy Schedule



Tenancy Schedule

Units 1-10 Nuffield Close
Nuffield Road Industrial Estate
Cambridge, CB4 1SS

Unit	Area (Sq ft)	Tenant	Lease From	Lease To	Current Annual Rent (£)	Rent (£ per sq ft)	ERV (£ per sq ft)	ERV Annual Rent (£)	Next review	Break
Unit 1	3,129	City Fibre	01/02/2019	31/01/2039	37,540	12.00	12.00	37,548	01/02/2024	01/02/2029
Unit 2	3,105	Citystay Limited	11/03/2018	10/03/2023	34,500	11.11	12.00	37,260		
Unit 3 & 4	6,281	Saint Gobain	07/11/2017	06/11/2027	69,100	11.00	12.00	75,372	07/11/2022	07/11/2022
Unit 5	4,052	Venzon UK Limited	29/09/2003	29/09/2028	47,500	11.72	12.00	48,624	29/09/2023	
Unit 6	4,064	Sodexo Limited	11/02/2018	10/02/2028	48,750	12.00	12.00	48,768	11/02/2023	11/02/2023
Unit 7 -10	10,611	Howden Joinery Properties Ltd	10/05/2011	09/05/2026	103,450	9.75	11.75	124,679	10/05/2021	10/05/2021
	31,242				340,840			372,251		

Agenda Item 5b

CAMBRIDGE CITY COUNCIL

Record of Executive Decision

Decision of:	Councillor Robertson , Executive Councillor for Finance and Resources
Reference:	19/URGENCY/SR/4
Date of decision:	20/09/19 Recorded on: 23/09/19
Decision Type:	Non Key Decision
Matter for Decision:	Whether to provide funding for a temporary barrier, and associated installation and signage works, to close King's Parade during an experimental period. £35,000 will be allocated from reserves, and the remaining 50% of the funding will be met by the Greater Cambridge Partnership
Why the decision had to be made (and any alternative options):	<p>See details detailed in Cambridge Joint Area Committee report 5 March 2019 paragraphs 2.1 – 2.8</p> <p>https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/819/Committee/11/Default.aspx</p> <p>As specified under Part 4C 6.1.1 and 6.1.2 of the Councils Constitution, It was not deemed practical to convene a quorate meeting of Council to take these decisions.</p>
The Executive Councillor's decision(s):	<p>To provide funding for a temporary barrier, and associated installation and signage works, to close King's Parade during an experimental period. £35,000 will be allocated from reserves, and the remaining 50% of the funding will be met by the Greater Cambridge Partnership.</p> <p>Funding is on the understanding that the 10 disabled parking spaces which will be lost have been accepted by the county council officers for relocation on Trumpington St though there is no absolute certainty that they will be possible to provide in the locations outlined in the report.</p>
Reasons for the decision:	<p>As stated in Part 4C section 6.1 of the Councils Constitution, individual members of the Executive 'may take a decision which is contrary or not wholly in accordance with the budget approved by the full Council if the decision is a matter of urgency'.</p> <p>It was deemed not practical to convene a quorate meeting of Council to take these decisions.</p>
Scrutiny consideration:	<p>The Chair and Spokesperson of Strategy and Resources Scrutiny Committee were consulted prior to the action being authorised.</p> <p>The Chair of the Strategy and Resources Scrutiny Committee agreed the decision was a matter of urgency as required under paragraph 6, Part 4C Budget and Policy Framework Procedure Rule</p>

Report:	A Member consultation briefing paper and report detailing the background and financial considerations is attached.
Conflicts of interest:	None
Comments:	This decision will be reported back to the Strategy and Resources Scrutiny Committee on the 07 October 2019.

To Councillor: Councillors Robertson, Davey and Dalzell	Comment to: John Richards.
Date: 5 September 2019	Tel: 01223 458525
E-mail: John.Richards@cambridge.gov.uk	



MEMBER CONSULTATION



Funding for a temporary barrier – King's Parade Urgency Action

As the Chair or Spokesperson of the Strategy & Resources Scrutiny Committee, you are being informed of a matter on which action must be taken as a matter of urgency, in accordance with the Council's Constitution.

The Executive Councillor for Finance and Resources is minded to make the decision set out in the attached Record of Decision relating to provide funding for a temporary barrier and associated installation and signage works, to close King's Parade on public security grounds for a trial period. The cost of the initial trial works could amount to £70,000, £35,000 to be funded by the City Council and £35,000 (50%) to be funded by the Greater Cambridge Partnership (GCP). The City Council will fund the works and then recoup the funding from GCP.

The reasons for making the decision out of the committee cycle are set out in the Cambridge Joint Area Committee report 5 March 2019 paragraphs 2.1 – 2.8 <https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/819/Committee/11/Default.aspx>.

If you have any comments on the decision please let me know before 5pm 13/09/19 xx September.

A briefing document report is also attached setting out the background and current situation. If you have any comments on the documents please speak to Public Realm Engineering & Project Delivery Team Leader John.Richards@cambridge.gov.uk

The Council's Constitution requires the Chair and Spokespersons of the relevant Scrutiny Committee to be informed of the matter on which the decision is to be made and for the Chair of the Strategy and Resources Scrutiny Committee to agree that the decision is a matter of urgency as required under paragraph 6, Part 4C Budget and Policy Framework Procedure Rule.

After 5 clear working days have elapsed, the remaining members of Scrutiny Committee will be notified of the decision.



INVESTOR IN PEOPLE



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 31st July 2019

Published: 5th August 2019

Decision review deadline: 12th August 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 Councillor C Boden (substituted by Councillor J French), Councillor L Herbert (substituted by Councillor M Sargeant) and Mr A Adams. No declarations of interest were made.
1.2	Minutes – 26th June 2019	The minutes of the meeting on 26th June 2019 were confirmed as an accurate record and signed by the Mayor.
1.3	Petitions	None received.

1.4	Public Questions	None received.
1.5	Forward Plan	It was resolved to note and comment on the Forward Plan.
1.6	Executive Committees – Change in Membership	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the change of lead member on the Transport and Infrastructure Committee for Fenland District Council from Councillor Chris Boden to Councillor Chris Seaton and the substitute member to Councillor Chris Boden. b) Approve the substitute member on the Housing and Communities Committee for Fenland District Council from Councillor David Oliver to Councillor Sam Hoy. c) Approve the change of lead member on the Skills Committee for Huntingdonshire District Council from Councillor Graham Bull to Councillor Jon Neish; d) Note the substitute member on the Skills Committee for East Cambridgeshire District Council is Councillor Anna Bailey.
1.7	Business Board Allowances	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Consider recommendations relating to the Business Board Scheme of Allowances from the Independent Remuneration Panel; b) Approve the adoption of a Member Allowance Scheme for the Business Board as proposed, including members of the Business Board being eligible to claim mileage for travel to and from meetings of the Business Board; c) Approve the alternative levels of remuneration as set out under the proposed scheme within the Financial Implications section of this report; and e) Approve the backdating of the Member Allowance Scheme to 24 September 2018.

	Part 2 – Finance	
2.1	Budget Monitor Update	<p>It was resolved to:</p> <ul style="list-style-type: none">a) Note the updated financial position of the Combined Authority for the year.b) Note the status of the audit of the 2018/19 statement of accounts

	Part 3- Combined Authority Matters	
3.1.1	£100m Affordable Housing Programme - Scheme Approvals: July 2019 – Werrington, Peterborough	<p>It was resolved to:</p> <p>Commit grant funding of £3,845,600 from the £100m Affordable Housing Programme to deliver 88 new affordable homes at a site in Werrington, Peterborough.</p>
3.1.2	£100m Affordable Housing Programme - Scheme Approvals Crowland Road, Eye Green, Peterborough.	<p>It was resolved to:</p> <p>Commit grant funding of £875,000 from the £100m Affordable Housing Programme to deliver 25 new affordable homes at a site in Crowland Road, Eye Green, Peterborough.</p>
3.1.3	£100m Affordable Housing Programme - Scheme Approvals Drake Avenue, Peterborough	<p>It was resolved to:</p> <p>Commit grant funding of £1,430,154 from the £100m Affordable Housing Programme to deliver 33 new affordable homes at a site in Drake Avenue, Peterborough.</p>
3.2	Housing Development Company – Approval of Shareholder Agreement	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Shareholder Agreement as detailed in Appendix 1; b) Approve Angle Holding Limited Articles of Association as detailed in Appendix 2; c) Approve Angle Developments Limited Articles of Association as detailed in Appendix 3; d) Approve the composition of Angle Holdings Limited Board of Directors as set out in paragraph 2.6; e) Approve the composition of Angle Development Limited Board of Directors as set out in paragraph 2.8.

		<p>Furthermore, in order to implement a)-c), authorise and approve:</p> <ul style="list-style-type: none"> f) The Chief Executive and the senior legal officer to complete the necessary legal documentation to implement the above; and g) The Monitoring Officer to amend the Constitution,
3.3	Cambridge Autonomous Metro – July 2019	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the increased allocation of £780,000 in 19/20 and £965,000 in 20/21 for the CAM OBC to be funded from the Feasibility studies non-capital budgets including re-profiling from 20/21 to 19/20 b) Note the establishment of a Partnership Board with the terms of reference set out at Appendix A c) Note the proposed client-side project management structure
3.4	A428 Black Cat to Caxton Gibbet Consultation Response	<p>It was resolved to approve the proposed consultation response attached at Appendix A, subject to the revisions requested by Board members.</p>
3.5	St Neots Masterplan – Phase 1 Delivery	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the allocation of £403k from the non-transport feasibility budget within the Medium-Term Financial Plan to meet programme commitments as part of the £4.1m package of Combined Authority funding approved by the Board in June 2018 to deliver the first phase of the St Neots Masterplan for Growth. b) Approve the re-profiling of the capital expenditure in the Medium Term Financial Plan (MTFP) to match the updated forecast from the delivery partner.

3.6	A Vision for Nature	It was resolved to endorse the Vision for Nature.
	By Recommendation to the Combined Authority	
	Part 4 – Business Board Recommendations to the Combined Authority	
4.1	Growth Deal Project Proposals July 2019 – Local Growth Fund Programme Update.	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the submission of the Growth Deal monitoring report to Government to end Q1 2019/20. b) Approve the proposed creation of a Capital Growth Grant scheme for small businesses using Local Growth Fund (LGF) and approve a £3m pilot programme and for Officers to run a procurement for a provider to deliver the pilot programme.
4.2	Review of Business Board Constitution	<p>It was resolved by a two thirds majority to:</p> <ul style="list-style-type: none"> a) Approve the amendments to the Constitution set out in Appendix 1 and the additional revisions requested during the meeting. b) Authorise the Monitoring Officer to make any consequential changes to the Combined Authority Constitution.

4.3	Alconbury Enterprise Zone Memorandum of Understanding and Enterprise Zone Programme Governance	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Alconbury Enterprise Zone Memorandum of Understanding between CPCA and Huntingdonshire District Council, subject to the removal of the following words at the end of paragraph 6.1.2 “including towards meeting the community and infrastructure demands of the Alconbury Weald development” and to instruct the Director of Business and Skills to negotiate with Huntingdonshire District Council and the Interim Chair of the Business Board to remove the wording; and b) Approval to adopt the proposed Enterprise Zone Programme Terms of Reference and associated governance.
Page 45	Part 5 – Skills Committee recommendations to the Combined Authority Board	
	University of Peterborough – Transitional Funding	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the findings of the request from University Centre Peterborough to continue to fund the activity for the University of Peterborough up until the 1st August 2019. b) Approve the release of £148,304 from the Skills Strategy Implementation budget for 2019/20 to support University Centre Peterborough through the transitional phase.
	Part 6 - Date of next meeting	
6.1		Wednesday 25th September 2019: 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.

This page is intentionally left blank

The LIS in Short

Our 25-year vision

To be a leading place in the world to live, learn, and work whilst doubling our economy.

Our Goals

1. To scale growth further to benefit the whole area, building on Cambridge's World class assets to **create INCLUSIVE growth across our economy**
2. To **deliver a shared growth ambition across the OxCam Arc** to become part of a global economy able to rival those of Toronto, Boston, Helsinki, Tel Aviv and Seoul

Our strategic approach

1. **Improve the long-term capacity for growth in Greater Cambridge** to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed for several decades.
2. **Recognising Cambridgeshire and Peterborough has three distinct sub-economies**, the Fens, Greater Peterborough and Greater Cambridge. The LIS will tailor and mix interventions to the needs of each of these specific sub-economies.
3. **Increase sustainability and broaden the base of local economic growth**, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current growth bottlenecks in Greater Cambridge.
4. **Do this by expanding and building upon the clusters and networks** that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide business support eco-system to promote business inclusive growth

The key interventions

1. **A growth coaching service** targeted towards our highest potential medium sized businesses to accelerate growth in the businesses already here
2. **An inward investment service** to target larger firms to relocate to the area to raise productivity and provide higher value jobs
3. **Innovation Launchpads** to increase the number of higher value businesses and jobs, by replicating, across the economy, the support infrastructure, incubators, training academies and product innovation support common in Cambridge.
4. **Improved adult education** to raise the mid-level skills to improve productivity and support business growth
5. **A skills brokerage** to recover and scale the provision of apprenticeships to bridge the current gap between the needs of business and skills being generated locally
6. **A new university for Peterborough** to fill the higher level skills gap in the north of the economy to support accelerated business growth and raise individual opportunity and prosperity

This page is intentionally left blank



Item Fire Risk Management Strategy

To:

Strategy and Resources Scrutiny Committee

7 October 2019

Report by:

Lynn Thomas

Head of Housing Maintenance and Assets

Tel: 01223 457831

Email: lynn.thomas@cambridge.gov.uk

Wards affected:

City Wide

1. Executive Summary

- 1.1. Cambridge City Council has a duty to protect the health, safety and welfare of its employees, visitors, contractors and tenants. This includes a duty of care, for the safety of employees and a general duty in relation to non-employees regarding fire precautions as may reasonably be required and practicable in the circumstances. These duties are set out in the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1999 and the Regulatory Reform (Fire Safety) Order 2005 (FSO).
- 1.2. The Regulatory Reform (Fire Safety) Order 2005 (FSO) covers general fire precautions and other fire safety duties which are needed to protect 'relevant persons' in case of fire in and around most 'premises'.
- 1.3. The FSO requires fire precautions to be put in place 'where necessary' and to the extent that it is reasonable and practicable in the circumstances of the case. The responsibility for complying with the FSO rests with the 'responsible person'. In a workplace this is the employer and any other person who may have control of any part of the premises, e.g. the occupier or owner. In all other premises the person or people in control of the premises will be responsible.

- 1.4. This Fire Risk Management Strategy (FRMS) sets out how Cambridge City Council will implement its Fire Safety Policy. The strategy aims to reduce the risks posed by fire through a risk based approach, supported by fire safety management processes and procedures to reduce the risk as far as reasonably practicable.
- 1.5. The Strategy applies to all Cambridge City owned premises, its staff, visitors, contractors and tenants. It provides a structured approach for managing and controlling fire risks in compliance with current legislation, technical guidance and best practice.
- 1.6. The approach taken in drafting the strategy has been to adopt PAS 7: 2013 – Fire Risk Management System Specification.
- 1.7. This Fire Safety Policy and the FRMS will be reviewed at regular intervals of not more than 3 years.
- 1.8. The Strategy includes:
 - The Council's Fire Safety Policy
 - The Council's Commitment
 - Responsibilities and accountabilities
 - How the Council intends to manage fire safety
 - Fire Safety Management Plan templates

2. Recommendations

The Executive Councilor is recommended to:

- 1) Approve the Fire Risk Management Strategy

3. Background

- 3.1 Estates and Facilities have opted to develop a FRMS that defines our fire risk management system and method of implementing the overarching policy for fire safety. The reason for the development of the strategy is to provide “a clear set of measures encompassing fire precautions, management of fire safety and fire protection” It involves the development and implementation of risk appropriate policies and procedures in line with objectives specific to our organisation.

- 3.2 Cambridge City Council is committed to the provision of a safe place of work for all employees, clients, visitors, contractors, volunteers and those affected by or involved in Cambridge City Council activities.

Fire is a major workplace hazard that can lead to injury and in some cases death. There are three sound reasons for maintaining good standards of fire safety:

Moral: Fires result in a great deal of suffering for those affected, the loss of personal items and the shock. We must all do what we can to avoid this.

Legal: It is a legal requirement to prevent fire and protect employees and other relevant persons from the effects of fire. It is also a requirement to mitigate the effects of fire on anyone in the vicinity of the premises on fire.

Financial: The associated costs of a fire are substantial, especially when the consequential losses such as interruption to business and the physical and or uninsured losses are taken into account. The environmental damage caused by fires can also be far reaching.

- 3.3 The primary aim of the Fire Risk Management Strategy (FRMS) is to implement Cambridge City Council's fire safety policy and in doing so achieve compliance with legislative requirements. This will ensure the provision and maintenance of buildings with fire safety systems and procedures so that in the event of a fire, the occupants are able to reach a place of ultimate safety, or relative safety in the case of flats, whilst also reducing the risk of the spread of the fire.
- 3.4 The Council have formed a Fire Risk Management Group (FRMG) that is formed of stakeholders across the Council that have a responsibility or input into fire safety within the Council owned assets. They follow the Fire Risk Management Model explained in the diagram below.

Fire Risk Management Model



The FRMG will meet quarterly in accordance with their agreed Terms of Reference to ensure the management of fire safety in conjunction with KPI data and internal audit reports

- 3.5 Fire risk management systems – Specification (PAS7) is developed by BSI for use as a formal fire risk management system for organisations and individual sites. It provides assurance to Fire and Rescue Authorities in undertaking an audit under the Regulatory Reform (Fire Safety) Order 2005. It is designed to help demonstrate that the organisation is taking responsibility for managing fire risks and complying with the law. Designed to dovetail with the existing British Standard BS 9999 Code of practice for fire safety in the design, management and use of buildings, and other formal management systems such as the BS ISO 45001 health and safety management system, the specification applies the 'plan, do, check, act' model common to many business management systems.
- 3.6 PAS 7 has been adapted proportionately in terms of the organisation and its needs to manage fire safety. The draft Fire Risk Management Strategy and Fire Safety Policy embodies the relevant elements of PAS 7 to achieve this.
- 3.7 The strategy aims to be dynamic, ensure continuous improvement, and to allow for changes in fire safety standards, specifications and policy locally and nationally. Flats remain the focus (through Appendix 1) with a fire safety specification depending on the type of building the flats form part of.
- 3.8 The FRMG will work proactively in terms of fire safety in a national context, whenever a fire occurs we ensure we appraise the findings of the investigation in context with our own housing stock. For example, following the Grenfell tragedy we are able to provide assurance that the council owned housing stock does not contain Aluminium Composite Material (ACM Cladding). Fires in the national context that have occurred in recent months will also be analysed when the findings of the investigation are disclosed.
- 3.9 Fire safety priorities have been set based on the fire safety standards in current Cambridge City Council building stock following fire risk assessments (2018/19) against benchmark national technical fire safety standards. Although compliance has been

broadly achieved through application of the FSO, these fire safety priorities provide an additional focus for fire safety risk management through the fire safety management plan and fire protection strategy specific for each building. They are dynamic and may vary year on year depending on the significant findings from the fire risk assessment, fire safety audit undertaken by the corporate health and safety team and guidance from the Fire Risk Management Group.

4. Implications

a) Financial Implications

As detailed in section 3.8 above priorities will be set following an assessment against of each building against benchmark standards ensuring the fire management approach is appropriate and proportionate to the risk for that asset.

Compliance against benchmark standards for active / passive fire protection systems and fire safety management will incur additional resource implications however priorities will be determined by assessment. Fire Safety priorities are detailed on pages 12-38 within the fire safety strategy.

We have a Fire Risk Assessment Program which has a budget of 39K per annum and within the 5 year investment programme for the Council's general needs housing there is an allowance of £534K for fire prevention and fire safety works. Whilst budget bids are made where required for the corporate administrative buildings and commercial portfolio

b) Staffing Implications

This strategy will be delivered within the existing staffing resources. The strategy also gives staff clear guidance on the Council's approach to fire safety.

c) Equality and Poverty Implications

An EQIA has been completed and can be viewed upon request. The result of the assessment shows that no characteristic protected group is negatively affected or impacted. There is an overall positive impact improving safety and community resilience.

d) Environmental Implications

The environmental impact is Low Negative. This is due to a potential increase in supply chain demand and waste generation when making fire safety improvement and replacing old for new products and upgrades.

e) Procurement Implications

Where possible we will look to utilise existing frameworks or contracts where appropriate otherwise procurement following the Councils Contract Procedure rules will be undertaken

f) Community Safety Implications

The strategy may improve the safety and resilience within the Community, the Council has now formalised its approach to fire safety with clear priorities and responsibilities. The strategy brings all of the relevant information around risk assessments and management plans into one place.

5. Consultation and communication considerations

5.1. We have consulted with key stakeholders:

- Fire Safety Management Group
- Senior Leadership Team
- Senior Management Team
- Steve Cotton MIFireE – Fire Safety Advisor to CCC
- Tenant and Leasehold representatives

6. Background papers

Background papers used in the preparation of this report:

- Publicly accessible specifications (PAS) 7 and 79 (as detailed above)

7. Appendices

Cambridge City Council's Fire Risk Management Strategy

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact: Renier Barnard, Corporate Health & Safety and Emergency Planner
Tel: 01223 457485, email: Renier.Barnard@cambridge.gov.uk



FIRE RISK MANAGEMENT STRATEGY

Estates and Facilities
Revised FINAL DRAFT SEPTEMBER19

CONTENTS

INTRODUCTION	2
FIRE SAFETY POLICY	2
OUR COMMITMENT	2
RESPONSIBILITIES & ACCOUNTABLY	3
THE CHIEF EXECUTIVE & DIRECTORS	3
HEADS OF SERVICE (HOS)	3
ESTATES & FACILITIES	3
MANAGERS/SUPERVISORS ARE RESPONSIBLE FOR:	4
CORPORATE HEALTH & SAFETY TEAM (CHST)	4
ALL STAFF	5
FIRE RISK MANAGEMENT STRATEGY	6
MANAGING FIRE SAFETY	6
FIRE RISK MANAGEMENT MODEL	7
COMMUNICATION	7
FIRE RISK ASSESSMENT	8
FIRE SAFETY MANAGEMENT PLANS	9
MAINTENANCE & TESTING	9
FIRE SAFETY TRAINING	9
EMERGENCY PLANNING & EVACUATION PLANS	9
CONTROL OF WORK ON SITE	10
FIRE SAFETY PERFORMANCE	10
FIRE SAFETY AUDIT	10
FIRE SAFETY PRIORITIES FOR CAMBRIDGE CITY COUNCIL BUILDINGS	11
APPENDIX 1 DWELLINGS	12
Appendix 1 Narrative	13
APPENDIX 2 TEMPORARY HOUSING	29
APPENDIX 3 SHELTERED SCHEMES	30
APPENDIX 4 OFFICES	31
Appendix 4 Narrative	31
APPENDIX 5 CAR PARKS	33
APPENDIX 6 CREMATORIUM	34
APPENDIX 7 COMMUNITY BUILDINGS/CENTRES	35
APPENDIX 8 DEPOTS	36
APPENDIX 9 MIXED USE AND MULTIPLE OCCUPANCY BUSINESS UNITS	37

Introduction

This fire risk management strategy sets out how Cambridge City Council will implement its Fire Safety Policy.

The strategy reduces the risks posed by fire through a risk based approach, supported by fire safety management processes and procedures to reduce the risk as far as reasonably practicable.

Scope

This document applies to all Cambridge City premises, its staff, visitors, contractors, tenants and leaseholders. It provides a structured approach for managing and controlling fire risks in compliance with current legislation, technical guidance and best practice.

Fire Safety Policy

Cambridge City Council has a duty to protect the health, safety and welfare of its employees, visitors, contractors, tenants and leaseholders. This includes a duty of care, for the safety of employees and a general duty in relation to non-employees regarding fire precautions as may reasonably be required and practicable in the circumstances.

These duties are set out in the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1999 and the Regulatory Reform (Fire Safety) Order 2005 (FSO).

Our commitment

Cambridge City Council is committed to the provision of a safe place of work for all employees, clients, visitors, contractors, volunteers and those affected by or involved in Cambridge City Council activities.

Fire is a major workplace hazard that can lead to injury and in some cases death. There are three sound reasons for maintaining good standards of fire safety:

Moral: Fires result in a great deal of suffering for those affected, the loss of personal items and the shock. We must all do what we can to avoid this.

Legal: It is a legal requirement to prevent fire and protect employees and other relevant persons from the effects of fire. It is also a requirement to mitigate the effects of fire on anyone in the vicinity of the premises on fire.

Financial: The associated costs of a fire are substantial, especially when the consequential losses such as interruption to business and the physical and or uninsured losses are taken into account. The environmental damage caused by fires can also be far reaching.

Legislative Requirements

The Regulatory Reform (Fire Safety) Order 2005 (FSO) covers general fire precautions and other fire safety duties which are needed to protect 'relevant persons' in case of fire in and around most 'premises'.

The FSO requires fire precautions to be put in place 'where necessary' and to the extent that it is reasonable and practicable in the circumstances of the case. The responsibility for complying with the FSO rests with the 'responsible person'. In a workplace this is the employer and any other person who may have control of any part of the premises, e.g. the occupier or owner. In all other premises the person or people in control of the premises will be responsible.

Responsibilities & Accountably

The following responsibilities and tasks are required of Council officers to ensure compliance with the FSO and to deliver our commitment for fire safety. As with other management responsibilities, it is for the named officer to ensure that the task and outcome is delivered by delegating tasks and functions to others, if required, and monitoring the results.

The Chief Executive & Directors are accountable on behalf of Cambridge City Council for the fire safety in all premises belonging to or occupied by the Council and will ensure:

- That the Council has a fire risk management strategy.
- That programmes to implement, maintain, monitor and review the strategy are agreed as required.
- That resource is available for the implementation, maintenance, monitoring and review of the fire risk management strategy.

Heads of Service (HoS) with the assistance of nominated Council officers are responsible for:

- Ensuring fire safety in their designated buildings is accordance with the fire risk management strategy.
- Meeting the health and safety requirements as laid down in the Regulatory Reform (Fire Safety) Order 2005.
- Identifying and requesting that Fire Safety Management Plans (FSMP) are in place for properties within their remit.
- Ensuring that actions and recommendations arising from Fire Risk Assessments (FRA) are undertaken.
- Monitoring effectiveness of FSMPs and setting priorities against remedial action plans following FRAs.

Estates & Facilities are responsible for:

- Commissioning Fire Risk Assessments, where required, to ensure that all buildings owned or occupied by the Council have a current Fire Risk Assessment in place.
- Reviewing the Fire Risk Assessments when alterations to building layout or structure are proposed or undertaken and amending them accordingly.
- Informing relevant Heads of Service of actions and recommendations from Fire Risk Assessments.
- Providing or commissioning fire safety input for new building developments and refurbishment of existing buildings.
- Ensuring Fire Safety Management Plans are produced, reviewed and amended as appropriate.
- Monitoring Fire Risk Actions and update as appropriate.
- Reporting on a six monthly basis all outstanding High Priority Actions to HoS.
- Ensuring that fire safety equipment such as alarms, extinguishers and emergency lighting is tested and maintained in accordance with the relevant standards.

- Undertaking or commissioning appropriate testing and maintenance programmes for fire safety equipment such as alarms, extinguishers and emergency lighting to comply with the relevant standards.
- Carrying out practice evacuations of Council facilities that are under our control.
- Undertaking or commissioning appropriate testing and maintenance programmes, the periodic testing of a building's electrical fixed wire installation, portable electrical appliances and heating systems to ensure that testing is carried out and maintenance arranged where appropriate.
- Liaising with other nominated officers regarding relevant fire safety information relating to Fire Safety Management Plans and outcomes of Fire Risk Assessments and agreeing and allocating actions as appropriate.
- Managing and incorporating suitable wording into contracts to ensure that contractors they appoint undertake works in such a way to prevent the risk of fire.
- Maintaining records of premises, all testing, maintenance and other related information to demonstrate compliance or identify issues to be resolved.
- Investigating all fire related incidents within the Council's premises within their control and share the findings with all interested parties.

Managers/Supervisors are responsible for:

- Implementing aspects of Fire Safety Management Plans for which they are responsible so they are adhered to; including liaising with other nominated officers and departments as necessary.
- Facilitating the production of Fire Risk Assessments and supporting activities linked to remedial actions identified by the assessment.
- Update E&F on actions undertaken and evidence as required.
- Ensuring that their staff receive fire safety training including for employees with a fire safety role are provided with additional training. Undertaking or arranging fire evacuation drills on a regular basis in consultation with CHST, reviewing the drill and implementing any recommendations to improve in the future.
- Maintaining necessary records on site or electronically if suitably accessible, to show compliance with legislation.
- Undertaking routine inspections and checks as directed by CHST to ensure that passive and active fire protection measures and systems are working and not interfered with, removed, modified or obscured.
- Reporting any fire safety issues to relevant parties to ensure that these are actioned.
- Liaise with Estates & Facilities to incorporate any corporate contracts or Framework Agreements into managing and incorporating suitable wording into contacts to ensure that contractors they appoint undertake works in such a way to prevent the risk of fire.

Corporate Health & Safety Team (CHST) are responsible for:

- Providing specialist advice and guidance on fire safety matters with assistance from a Fire Safety Advisor (competent person) where required.
- Providing fire safety induction and refresher training.
- Overseeing the Fire Risk Assessment program.
- Overseeing and write Fire Safety management Plans for CCC premises.
- Liaising with the Fire Safety Advisor.
- Undertaking internal audits of fire safety management processes, procedures and key performance indicators.
- Arranging relevant training and ensuring its effectiveness.

All Staff

- Regardless of their position staff have a duty to themselves, to other colleagues and to anyone else who may be affected by their acts or omissions to take reasonable care to work in a safe manner. In particular all employees must:
- Comply with all City Council fire safety requirements and statutory health and safety at work obligations specifically relating to fire safety with all written and verbal instructions given to them by management.
- Report to their manager or health and safety representative, as applicable, any defective equipment, potential fire hazard or any practice likely to cause a fire.
- Report all fires, whether or not the fire service is called and regardless of whether any injury is sustained.
- Assist with the investigation into fires so that measures may be devised to prevent a recurrence.
- Undertake any fire safety role they may be appointed to.
- Participate in fire safety training provided by the Corporate Health & Safety Team.
- Staff must act responsibly e.g. by vacating a building as quickly as possible, checking that their 'zone' is empty if at a time that no fire wardens are present.

This fire safety policy and the fire risk management strategy will be reviewed at regular intervals of not more than 3 years.

Antoinette Jackson
Chief Executive Officer

September 2019

Fire Risk Management Strategy

Aim

The primary aim of the Fire Risk Management Strategy (FRMS) is to implement Cambridge City Council's fire safety policy and in doing so achieve compliance with legislative requirements. This will ensure the provision and maintenance of buildings with fire safety systems and procedures so that in the event of a fire, the occupants are able to reach a place of ultimate safety, or relative safety in the case of flats, whilst also reducing the risk of the spread of the fire.

Objectives

The following objectives support and should ensure the delivery of the aim of the strategy:

- The implementation of standards, procedures and processes for fire safety management throughout the Council.
- The identification through fire risk assessment of the standard of fire compartmentation means of escape, fire safety systems and firefighting equipment in Council buildings to achieve safe evacuation and prevent fire spread.
- A program of remedial work linked to the outcomes of fire risk assessment and specific inspection of Council premises.
- The early involvement in proposed new Council buildings and developments to ensure the fire risk management aim will be met.
- The allocation and definition of responsibilities and standards for the provision, installation, testing and planned maintenance of fire safety equipment, devices, alarms and extinguishing systems;
- The allocation of responsibilities for the implementation of fire emergency plans including evacuation procedures, first-aid, firefighting, contacting the emergency services, emergency coordination and staff training;
- The allocation of responsibilities and duties of staff for monitoring and auditing all fire safety management systems and procedures;
- The development and delivery of suitable staff training in fire safety awareness and fire warden training;
- The development and implementation of business continuity procedures to ensure minimal disruption from an incident involving fire and allow an early recovery to enable operations to continue.
- The identification of standards for the control of combustible, flammable or explosive materials.

Managing Fire Safety

Managing fire safety operationally day to day is supported by Fire Risk Assessment (FRA), Fire Safety Management Plans (FSMP) alongside appropriate processes and procedures.

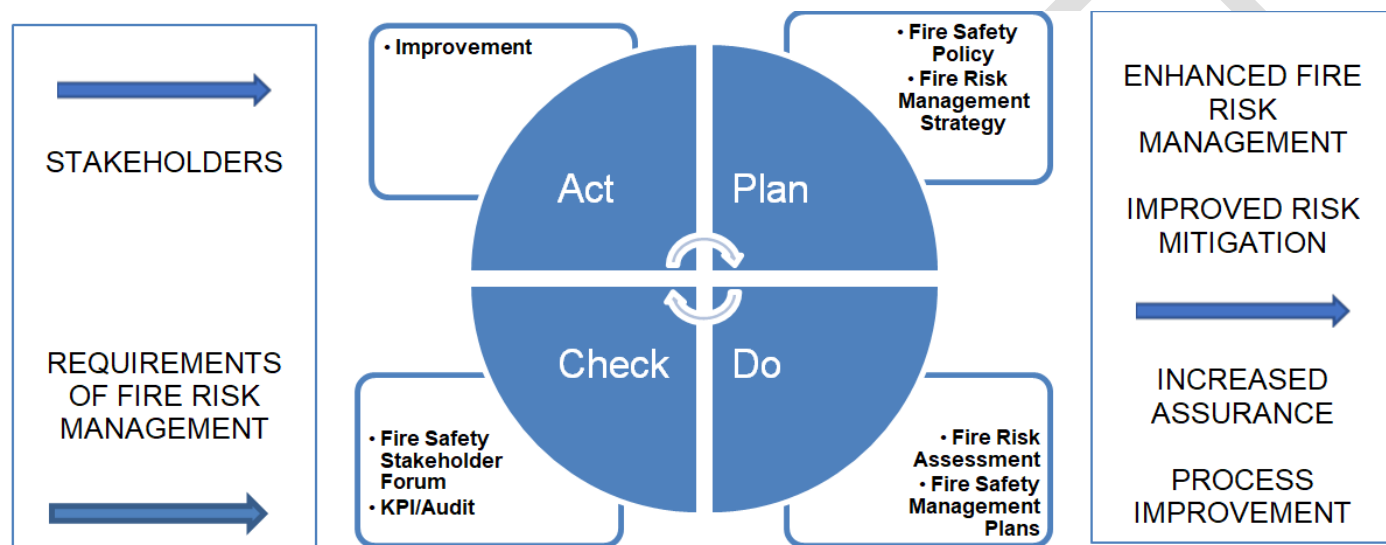
A Fire Risk Management Group (FRMG) is formed of the stakeholders for fire safety in Cambridge City Council. The FRMG is comprised of representatives of the following:

- Estates & Facilities – Head of Service (Chair)
- City Homes (Housing Officers/Estate Champions) – Housing Services Manager / Estate Champion
- Home Ownership – Home Ownership Manager

- Commercial – Chief Property Surveyor
- Community Facilities – Sport and Recreation Manager
- Competent Fire Safety Advisor – Appointed Consultant
- Corporate Health & Safety Team – Health and Safety Manager
- Others as deemed appropriate – Example multi shared occupant buildings or contractors during building or refurbishment work.

The FRMG will meet quarterly in accordance with their agreed Terms of Reference to ensure the management of fire safety in conjunction with KPI data and internal audit reports

Fire Risk Management Model



Communication

The Fire Safety Policy and Fire Risk Management strategy will be made available to all relevant persons.

The fire safety stakeholder forum will communicate with appropriate information relating to fire safety management and performance.

The significant findings of a fire risk assessment will be communicated between the Corporate Health & Safety Team, Estates & Facilities and the manager responsible for the premises concerned. This process will include agreed remedial action, who will be responsible for the implementation of these actions and the time scale or priority allocated. Heads of Service will be copied into this correspondence where it impacts on their service area.

Fire Safety Management Plans will set out how the occupants of a building will be alerted to a fire and communication with the fire and rescue service in the event of a fire.

For flats, and other multi-occupancy buildings, the key outcomes and actions of fire risk assessments will be provided in the communal areas as well as via the Council's website.

Fire safety information for relevant persons will be provided in the form of the FSMP, staff training and specific fire safety information leaflets. This may extend to specific or targeted fire safety information as directed by the fire safety stakeholder forum.

Communication links for internal and external key partners and stakeholders will be identified and documented.

Fire Risk Assessment

The Regulatory Reform (Fire Safety) Order 2005 covers general fire precautions and other fire safety duties which are needed to protect 'relevant persons' in case of fire in and around most 'premises'. The Order requires fire precautions to be put in place 'where necessary' and to the extent that it is reasonable and practicable in the circumstances of the case.

The 'responsible person' must carry out a fire risk assessment with a focus on the safety in case of fire of all 'relevant persons'. The fire risk assessment will identify the nature and extent of the general fire precautions that are required and to reduce or remove risks.

Estates & Facilities will ensure that arrangements are in place for fire risk assessment to be carried out in all Council premises where the FSO applies which will include communal areas of flats.

Where five or more people are employed the significant findings of the assessment must be recorded. The FRA is recorded in all instances and follows the PAS79 model with an action plan containing recommendations for remedial works.

Estates & Facilities will review each fire risk assessment's action plan to prioritise remedial work with appropriate time scales in conjunction with the relevant fire safety standard for each building type – see Appendices 1- 9.

Leaseholders of commercial premises will be required to undertake their own risk assessments; and will share relevant fire safety information with the Council.

FRA's will be carried out on a programmed basis as follows:

Premises Type	Frequency (months)
Flats: larger blocks with higher occupancy	12
Flats: with communal areas (*low risk)	24
Sheltered schemes	12
Temporary housing	12
Depots	12
Offices	12
Leisure Centres	12
Community Centres	12
Theatre	12
Multi-storey Carparks	12
Pavilions	12
Chapels/Crematorium	12
Temporary Structures / Events	As required

*Type 1 Fire Risk Assessment: Communal Area Only – Non-Destructive

CHST are the guardians for the program and will liaise with the Fire Safety Advisor who carries out the FRA on behalf of CCC.

Fire Safety Management Plans

A fire safety management plan (FSMP) will be in place for all Council premises other than dwellings, although the exception to this will be for the small number of higher rise flats in the city.

A FSMP is building specific. It provides the person responsible for fire safety management in a building with all relevant information to undertake that role, in particular the fire strategy for the premises.

Events Management Control Document will include fire safety management arrangement in conjunction with the fire risk assessment for the event.

Maintenance & Testing

Arrangements for the testing and maintenance of all fire safety equipment and systems will be implemented and managed by Estates and Facilities.

Liaison and cooperation between Estates & Facilities and managers of all sites where equipment is installed is essential to ensure maintenance and testing can be completed. Communication between Estates & Facilities and managers will provide assurance this has taken place and any defects have been rectified. For managers this links to their FSMPs and fire strategy for the building(s) they are responsible for.

Records of all such maintenance and testing will be documented by Estates & Facilities and their contractors.

Fire Safety Training

Cambridge City Council has a moral and legal duty to provide training to staff relevant to the fire safety procedures for the premises that they occupy.

This will be provided on induction to the organisation and then on a refresher basis. The training will include an overview of general fire safety in the workplace. Staff with nominated duties such as fire wardens will be given additional input.

Induction and refresher training will be provided by CHST. Specific training such as practical training for the use of fire extinguishers will be by a competent external provider.

Managers of staff can also request fire safety training where appropriate for example following a fire risk assessment where this has been highlighted as a recommendation.

Emergency Planning & Evacuation Plans

Evacuation plans will be set out in the FSMPs for each building. Linked to these are emergency planning arrangements that prevent or mitigate the consequences of an emergency event, especially a fire that impacts on business continuity. These arrangements will include logistical issues and power failures.

Control of Work on Site

Work on site in the Councils buildings is a regular activity and a risk that will be managed to minimise both disruption to fire safety procedures and systems as well as the likelihood of fire.

Where significant work is to be undertaken, a suitable review of the existing fire risk assessment will be undertaken taking into account the FSMP for the building concerned. Appropriate procedures, precautions and measures will be implemented in conjunction with any risk assessment under taken to satisfy the CDM regulations with cooperation between the building manager, contractors and Estates & Facilities/Corporate Health & Safety Team.

In any instance where work is carried out contractors will be made aware of the fire safety arrangements for the building especially fire evacuation procedures. They will be expected to cooperate with managers and staff to maintain the effectiveness of fire evacuation by ensuring their work does not obstruct escape routes or firefighting equipment or the operation of fire safety systems.

A 'permit to work' procedure will be implemented for hot works.

Fire Safety Performance

Performance of fire safety management will be monitored and measured by the following Key Performance Indicators (KPI's)

- % **Number of premises with outstanding 'High Risk' actions.**
- % **of fire risk assessment high risk actions completed within the allotted time frame**
- % **of fire safety training completed as programmed**
- % **of fire safety management plans maintained up to date (within review period of 3 years or any other activity that impacts on the objectives of this strategy)**

KPI's will be compiled by Estates & Facilities.

Fire Safety Audit

The fire safety management processes and systems will be audited internally each year by CHST or Internal Audit. However, the fire and rescue service may audit individual premises to check for compliance with the FSO and in doing so may seek assurance that suitable and sufficient arrangements are in place to manage fire safety.

The purpose of the audit is to:

Ensure the effective management of fire safety in Cambridge City Council
To provide feedback to fire safety stakeholders and drive continuous improvement
To support nominated Council officers in their fire safety roles
Ensure the KPI's are still current and provide relevant managerial and strategic performance information linked to the FRMS.

The audit will be targeted at specific areas through sampling. The areas may include;

- particular issues highlighted through the fire risks assessment process,
- local and national fire safety incidents or trends,

- direction from the fire safety stakeholders forum

Fire Safety Priorities for Cambridge City Council Buildings

Fire safety priorities have been set based on the fire safety standards in current Cambridge City Council building stock following fire risk assessments (2018/19) against benchmark national technical fire safety standards.

Although compliance has been broadly achieved through application of the FSO, these fire safety priorities provide an additional focus for fire safety risk management through the fire safety management plan and fire protection strategy specific for each building. They are dynamic and may vary year on year depending on the significant findings from the fire risk assessment, fire safety audit undertaken by the corporate health and safety team and guidance from the Fire Risk Management Group.

Appendices 1 - 9 provide a set of fire safety priorities for a specified list of Council's premises types according to use and occupancy. As appropriate these are aligned in Fire Safety Management Plans. As a minimum all Council owned premises will have a Fire Risk Assessment in line with the strategy, other premises not listed in appendix 1-9 may be considered for inclusion if directed by FRMG.

Generally, dwellings do not attract a Fire Safety Management Plan or a fire risk assessment (other than for the communal areas) as the corporate buildings do. Therefore, a fire safety specification for the different types of dwellings through benchmarking against current national standards is provided in Appendix 1. These meet the fire safety priorities that have been set to achieve a satisfactory level of fire safety in dwellings.

These appendices help to fulfil the aim of this Fire Risk Management Strategy and thus the Fire Safety Policy of Cambridge City Council.

Appendix 10 provides a fire safety management plan template to achieve consistency.

	General needs housing
Appendix 1	Dwellings
Appendix 2	Temporary Housing/Hostels
Appendix 3	Sheltered Schemes
	Corporate
Appendix 4	Offices
Appendix 5	Car Parks
Appendix 6	Crematorium
Appendix 7	Community Buildings
Appendix 8	Depots
	Commercial
Appendix 9	Mixed Use and Multiple Occupancy Business Units
	Fire safety management
Appendix 10	Fire Safety Management Plan Template

Appendix 1 Dwellings

Cambridge City Council is responsible for just over 8,000 dwellings. Dwellings are homes to people living in Cambridge and may be one of the following types of buildings:

1. Houses and bungalows
2. Flats with no communal areas
3. Flats with communal areas
4. Temporary Housing – see Appendix 2
5. Sheltered accommodation schemes – see Appendix 3

Some dwellings are leasehold and form part of a building e.g. a privately owned flat in a complex of Council owned flats.

The age of these dwellings and thus the standards they were original built to varies greatly with some housing stock dating from the 1950's.

This Appendix sets out the fire prevention and protection measures to achieve the fire safety aim of the Fire Risk Management Strategy.

Cambridge City Council will work with other agencies where appropriate to provide additional fire safety measures to vulnerable tenants and leaseholders.

Fire safety priorities: All or some of these apply to Council dwellings in Cambridge City:

- 1) **Fire Alarm:** Ensure there is an early warning such that the occupants are alerted to a fire in their home and can take action to escape.
- 2) **Means of Escape (in the dwelling):** Ensure that the means of escape arrangements within the dwelling are sufficient to enable the occupants to leave the property when there is a fire.
- 3) **Means of Escape (in the building):** Ensure that where the property is part of a larger building, the means of escape are such that the occupants can leave the building if they so wish or are forced to due to the extent of a fire.
- 4) **Compartmentation:** Ensure suitable compartmentation is provided to contain a fire to its compartment of origin. Where appropriate this should include measures to support a stay put policy.
- 5) **Fire Prevention:** Promote fire prevention and minimise arson.
- 6) **Fire Safety Information:** Provide tenants and leaseholders with fire safety information relevant to the building in which they live.
- 7) **Emergency Response:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out rescues and fight fire. PIB information should be relevant/ current.
- 8) **Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment for the communal area is undertaken.

Appendix 1 Narrative

1. Houses and Bungalows

1.1 Narrative

Bungalows will be referred to as houses from this point forward in this section. It is assumed that in terms of design and layout the all houses are compliant.

New build houses will comply with Building Regulations through applying Approved Document B Volume 1

Where installed the gas boiler will be safety checked annually along with the fire detector and carbon monoxide alarm once a year. A hard wired electrical test will be undertaken in accordance with the IET Wiring Regulations (BS7671:2018). Currently Cambridge City Council undertake every 10 years, although following recommendation it is proposed that this is reduced to 5 years with effect from April 2020 subject to approval of a revised asset management strategy and budget proposal to be made in September 2019

Note. The FSO does not apply to houses that form a single-family dwelling, so a fire risk assessment is not required. However, they may be subject to a specific fire risk assessment or inspection for example to check fire walls between dwellings where evidence directs the Council to do so. Where fire safety deficiencies are identified a program of remedial works will be implemented.

To meet the fire safety priorities above, provisions will include the following:

1.2 Fire Alarm

Ensure there is an early warning such that the occupants are alerted to a fire in their home and can take action to escape.

- Existing houses will be fitted with a fire alarm system appropriate to the dwelling and a carbon monoxide alarm where gas installations are present. BS 5839:6 2013 recommends an LD3 Grade D system in exiting houses and an LD2 Grade D system in new houses. This is for a rented two storey house. The British Standard should be referred to for variations in dwellings.

1.3 Means of Escape (in the dwelling)

Ensure that the means of escape arrangements within the dwelling are sufficient to enable the occupants to leave the property when there is a fire.

- For existing houses, the internal layout is assumed to be compliant but if required will be assessed against the benchmark standards below.
- New build houses will comply with Building Regulations. Either Approved Document B Volume 1 or BS 9991: 2015 will be utilised to apply an appropriate standard of fire safety provisions.

1.4 Compartmentation

Ensure where appropriate fire compartmentation is provided to contain a fire is contained to its compartment of origin.

- Compartmentation between houses will be to a 60 minute fire resisting standard.

1.5 Fire Prevention

Promote fire prevention and minimise arson.

- See 2.6 below.

1.6 Fire Safety Information

Provide tenants (and leaseholders) with fire safety information.

- Fire safety in the home information will be provided to tenants and leaseholders.
- The Council will be proactive in supplying relevant fire safety information which is targeted, and data/intelligence led.

1.7 Emergency Response

Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out rescues and fight fire.

- Where appropriate the Council will support access for the Fire & Rescue Service through liaison with other departments and agencies.
- For new build hoses the Council will ensure that reasonable facilities and access are provided for the Fire & Rescue Service using current technical guidance.

2 Flats with no communal area

2.1 Narrative

This type of flat in Cambridge tend to be small low rise of up to ground/ first/second floor only with access direct onto the street or pathway. They do not have communal spaces therefore the FSO does not apply and a fire risk assessment is not required.

However, there may be instances where the Council will be responsive to information following a fire and reasonable enquiries will be made to consider the adequacy of the fire safety provisions. For example if the dwelling is above retail units in particular commercial kitchens, or the flat layout does not meet current standards such as a maisonette above 4.5m.

New build flats will comply with Building Regulations. Either Approved Document B Volume 1 or BS 9991: 2015 will be utilised to apply an appropriate standard of fire safety provisions.

Government guidance and in particular 'Fire Safety in Existing Blocks of Flats' (also known as the Colin Todd guide) and current technical standards will provide a benchmark standard against which existing dwellings can be fire risk assessed.

Where installed the gas boiler will be safety checked annually along with the fire detector and carbon monoxide alarm once a year. A hard wired electrical test will be undertaken in accordance with the IET Wiring Regulations (BS7671:2018). Currently Cambridge City Council undertake every 10 years, although following recommendation it is proposed that this is reduced to 5 years with effect from April 2020 subject to approval of a revised asset management strategy and budget proposal to be made in September 2019

To meet the fire safety priorities above, provisions will include the following:

2.2 Fire alarm

Ensure there is an early warning of fire such that the occupants are alerted to a fire in their home and can take action to escape.

- Existing flats will be fitted with a fire alarm system appropriate to the dwelling and a carbon monoxide alarm where gas installations are present.
- BS 5839:6 2013 recommends an LD3 Grade D system in existing flats and LD2 Grade D system where structural fire protection is lower than current guidance, e.g. LD2 will be required for a maisonette above 4.5m (in conjunction with an internal protected route). The British Standard should be referred to for variations in flat layouts and designs.
- In new build flats this will be an LD2 Grade D system. The British Standard should be referred to for variations in flat layouts and designs

2.3 Means of Escape (in the dwelling)

Ensure that the means of escape arrangements within the dwelling are sufficient to enable the occupants to leave the property when there is a fire.

- For existing flats, the internal layout is assumed to be compliant but if required will be assessed against the benchmark standards described above.
- New build flats will comply with current technical guidance in 2.1 above.
- Where specific fire risk assessments are undertaken in existing flats, the layout and means of escape arrangements will be assessed using current guidance as above. Where the standards are below current benchmark standards then enhancements to fire detection system and fire resistance (or domestic sprinklers) may be necessary, for example in maisonettes above 4.5m where there is a lack of a protected escape route or an alternative exit.
- Provision of escape windows are required depending on the layout of the flats and escape provisions. In most cases they are likely to be required on the first floor of flats.

2.4 Compartmentation

Ensure suitable compartmentation is provided to contain a fire to its compartment of origin. Where appropriate this should include measures to support a stay put policy.

- 60 minutes fire resistance to be provided between dwellings by the walls and floors. Any openings or gaps through these will be appropriately fire stopped to maintain this level of

fire resistance. This will include service shafts and fire walls for example in roof spaces between dwellings.

2.5 Fire Prevention

Promote fire prevention and minimise arson.

- See 2.6 below.
- Where possible the Council will provide secure refuse bin storage spaces away from the building.

2.6 Fire Safety Information

Provide tenants (and leaseholders) with fire safety information.

- Fire safety in the home information will be provided to tenants and leaseholders.
- The Council will be proactive in supplying relevant fire safety information which is targeted, and data/intelligence led.

2.7 Emergency Response

Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out rescues and fight fire.

- Where appropriate the Council will support access for the Fire & Rescue Service through liaison with other departments and agencies.
- For new build flats the Council will ensure that reasonable facilities and access are provided for the Fire & Rescue Service using current technical guidance.

3 Flats with communal areas

3.1 Narrative – all types of flats with communal areas.

There are a variety of types of flats in Cambridge that have communal areas where the FSO is applicable and a fire risk assessment is required. This will be carried out every 24 months or in the case of larger blocks, annually.

Flats with communal areas have been categorised as follows:

1. Houses converted to flats (see 3.2).
2. Small flats – ground and 1st floor (see 3.3).
3. Medium flats – up to 4 floors. (see 3.4)
4. Large flats – high occupancy buildings up to 8 floors (see 3.5).

These are listed below with the fire protection and prevention strategies relevant for each.

Where installed the gas boiler will be safety checked annually along with the fire detector and carbon monoxide alarm. A hard wired electrical test will be undertaken in accordance with the IET Wiring Regulations (BS7671:2018). Currently Cambridge City Council undertake every 10 years, although following recommendation it is proposed that this is reduced to 5 years with effect from

April 2020 subject to approval of a revised asset management strategy and budget proposal to be made in September 2019

There will not be a fire alarm system in communal areas of flats as 'stay put' is the policy in these buildings. However, smoke detection might be installed for operating automatic opening vents in larger blocks of flats.

New build flats will comply with Building Regulations. Either Approved Document B Volume 1 or BS 9991: 2015 will be utilised to apply an appropriate standard of fire safety provisions.

Government guidance and in particular 'Fire Safety in Existing Blocks of Flats' (also known as the Colin Todd guide) and current technical standards will provide a benchmark standard against which existing dwellings can be fire risk assessed.

The communal areas are 'no smoking' spaces and the Councils 'zero tolerance' policy applies to the use and management of these areas.

3.2 Houses Converted to Flats

There are a number of local authority houses that have been converted to flats in previous years to provide a single dwelling on the ground and first floor with a shared/ common entrance hallway.

To meet the fire safety priorities above, provisions will include the following:

3.2.1 Fire alarm

Ensure there is an early warning of fire such that the occupants are alerted to a fire in their home and can take action to escape.

- Existing flats will be fitted with a fire alarm system appropriate to the dwelling and a carbon monoxide alarm where gas installations are present. BS 5839:6 2013 recommends an LD3 Grade D system in exiting flats.
- Given the structural nature of these dwellings, until 60 minutes compartmentation has been achieved, the tenants and leaseholders are advised to evacuate rather than a stay put although due to false alarms the detection system will not be linked. See 3.2.6 below.
- BS 5839:6 2013 recommends that where structural fire protection is lower than current guidance an LD2 Grade D system is appropriate. This category of fire alarm will be applied to these flats until 60 minutes is achieved. See also 3.2.4 below.
- The British Standard should be referred to for variations in flat layouts and designs.

3.2.2 Means of Escape (in the dwelling)

Ensure that the means of escape arrangements within the dwelling are sufficient to enable the occupants to leave the property when there is a fire.

- For existing flats, the internal layout is assumed to be compliant but if required will be assessed against the benchmark standards described above. Where necessary enhancements to fire detection and fire resistance will be considered.

- Provision of escape windows are required depending on the layout of the flats and escape provisions. In most cases they are likely to be required on the first floor of flats.

3.2.3 Means of Escape (in the building)

Ensure that where the property is part of a larger building, the means of escape are such that the occupants can leave the building if they so wish or are forced to due to the extent of the fire.

- In these types of dwellings, a small shared entrance hallway provides access to individual flats. The travel distances are very short. This area will be maintained in accordance with the Council's 'zero tolerance' policy and not used for storage.
- Any electrical meter or storage cupboards will be enclosed in 30 minutes fire resisting construction and kept locked shut.
- Any windows onto communal areas will provide 30mins fire resistance and kept shut.
- Ventilators that breach the escape route should be fitted with an intumescent block.
- Surface linings will be non-combustible (Class 0).
- Generally emergency lighting will not be required in the communal areas of houses converted to flats.

3.2.4 Compartmentation

Ensure suitable compartmentation is provided to contain a fire to its compartment of origin. Where appropriate this should include measures to support a stay put policy.

- All flat entrance doors to be FD30S.
- Any openings or gaps through these will be appropriately fire stopped to maintain this level of fire resistance. This will include service shafts and fire walls for example in roof spaces between dwellings.
- 60minutes fire resistance will be provided by the walls or partition between dwellings. This will be provided between the flats where the ground floor is separated by the staircase and in the roof space if attached to another separate dwelling.
- The floors between the flats are likely to provide a maximum of 30 minutes fire resisting as the construction was originally as a house. Upgraded fire resistance to 60 minutes will be applied to these flats. Enhancement of the fire detection system to LD2 will provide interim protection by means of earlier warning of fire.

3.2.5 Fire Prevention

Promote fire prevention and minimise arson.

- See 3.2.6 below.
- Where possible the Council will provide secure refuse/wheelie bin storage spaces away from the building

3.2.6 Fire Safety Information

Provide tenants (and leaseholders) with fire safety information.

- Fire safety in the home information will be provided to tenants and leaseholders.
- The Council will be proactive in supplying relevant fire safety information which is targeted, and data/intelligence led.
- Appropriate fire action information and no smoking signage will be provided in the common area.

3.2.7 Emergency Response

Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out rescues and fight fire.

- Where appropriate the Council will support access for the Fire & Rescue Service through liaison with other departments and agencies.
- For new build flats the Council will ensure that reasonable facilities and access are provided for the Fire & Rescue Service using current technical guidance.

3.2.8 Legislation

To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a fire risk assessment for the communal area is undertaken.

- A fire risk assessment will be carried out for the communal area at least every 2 years.
- Recommendations in the FRA action plan will be prioritised for remedial works by Estates & Facilities.
- A summary of the outcomes of the fire risk assessment and any actions to be taken will be provided to the tenants and leaseholders.

3.3 Small flats – Ground/1st floor

These form most flats in Cambridge and provide at least 2 dwellings on the ground and first floor with a shared common entrance area that may be comprised of a hallway, staircase and landing area. Entrances areas may be fully enclosed or partially open.

These have been built to various designs in different eras and would have complied the regulations current at the time of construction.

The following features may be found in the common areas;

- bin cupboards
- storage cupboards
- electricity meter cupboards
- refuse chutes
- access to loft spaces

To meet the fire safety priorities above, provisions will include the following:

3.3.1 Fire alarm

Ensure there is an early warning of fire such that the occupants are alerted to a fire in their home and can take action to escape.

- Existing flats will be fitted with a fire alarm system appropriate to the dwelling and a carbon monoxide alarm where gas installations are present.
- BS 5839:6 2013 recommends an LD3 Grade D system in existing flats. The British Standard should be referred to for variations in flat layouts and designs.
- In new build flats this will be an LD2 Grade D system. The British Standard should be referred to for variations in flat layouts and designs

3.3.2 Means of Escape (in the dwelling)

Ensure that the means of escape arrangements within the dwelling are sufficient to enable the occupants to leave the property when there is a fire.

- For existing flats, the internal layout is assumed to be compliant but if required will be assessed against the benchmark standards described above. Where necessary enhancements to fire detection and fire resistance will be considered.
- Provision of escape windows are required depending on the layout of the flats and escape provisions. In most cases they are likely to be required on the first floor of flats.

3.3.3 Means of Escape (in the building)

Ensure that where the property is part of a larger building, the means of escape are such that the occupants can leave the building if they so wish or are forced to due to the extent of the fire.

- Travel distances and escape routes are assumed to be compliant based on guidance at time of construction.
- This area will be maintained in accordance with the Council's 'zero tolerance' policy and not used for storage.
- Any electrical meter or storage cupboards will be enclosed in 30 minutes fire resisting construction and kept locked shut.
- Refuse chute rooms (located on landings) will be enclosed in 30mins FR construction with an FD30S door to be kept locked shut when not in use.
- Generally emergency lighting will not be required in the communal areas of these flats due the availability of borrowed light from street lighting. Where this is not the case, it should be highlighted by the fire risk assessment.
- Any windows onto communal areas will provide 30mins fire resistance and kept shut.
- Ventilators that breach the escape route should be fitted with an intumescent block.

- Surface linings will be non-combustible (Class 0).
- Where appropriate means to ventilate (smoke control) the escape route should be provided.
- Loft access hatches will be secured shut and the roof space not used for storage.
- Refuse chutes will be separated from the escape route by 60 minutes fire resistance. Where possible refuse chutes will be phased out.

3.3.4 Compartmentation

Ensure suitable compartmentation is provided to contain a fire to its compartment of origin. Where appropriate this should include measures to support a stay put policy.

- All flat entrance doors to be FD30S.
- 60minutes fire resistance will be provided by the walls and floors between dwellings.
- Any openings or gaps through these will be appropriately fire stopped to maintain this level of fire resistance. This will include service shafts and fire walls for example in roof spaces between dwellings.
- Bin rooms (large wheeled bins – located on ground floor) will be in separated from the remainder of the flats by 60 minutes fire resisting construction with FD30 doors or enhanced doors to provide additional fire resistance. It is not practicable to keep these locked, however, they should be kept closed when not in use.

3.3.5 Fire Prevention *Promote fire prevention and minimise arson.*

- See 3.2.6
- Where possible the Council will provide secure refuse/wheelie bin storage spaces away from the building.

3.3.6 Fire Safety Information

Provide tenants (and leaseholders) with fire safety information.

- Fire safety in the home information will be provided to tenants and leaseholders.
- The Council will be proactive in supplying relevant fire safety information which is targeted, and data/intelligence led.
- Appropriate fire action information and no smoking signage will be provided in the common area.

3.3.7 Emergency Response

Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out rescues and fight fire.

- Where appropriate the Council will support access for the Fire & Rescue Service through liaison with other departments and agencies.
- For new build flats the Council will ensure that reasonable facilities and access are provided for the Fire & Rescue Service using current technical guidance.

3.3.8 Legislation

To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a fire risk assessment for the communal area is undertaken.

- A fire risk assessment will be carried out for the communal area at least every 24 months.
- Recommendations in the FRA action plan will be prioritised for remedial works by Estates & Facilities.
- A summary of the outcomes of the fire risk assessment and any actions to be taken will be provided to the tenants and leaseholders.

3.4 Medium flats – Ground/1st/2nd/3rd floors

These vary in design and can also be found above shops. They usually provide up to 4 dwellings on each floor with a shared common entrance area that may be comprised of a hallway, staircase and landing area. Some flats have a balcony approach which serves a number of flat entrance doors and is usually a dead end situation. Maisonette layouts can be found in these flats.

These have been built to various designs in different eras and would have complied the regulations current at the time of construction.

The following features may be found in the common areas;

- bin cupboards
- storage cupboards
- electricity meter cupboards
- refuse chutes
- access to loft spaces
- automatic opening vents (AOV) and or opening vents (OV)
- dry risers may be found in these flats as a compensatory feature for the Fire & Rescue Service
- lift installations

To meet the fire safety priorities above, provisions will include the following:

3.4.1 Fire alarm

Ensure there is an early warning of fire such that the occupants are alerted to a fire in their home and can take action to escape.

- Existing flats will be fitted with a fire alarm system appropriate to the dwelling and a carbon monoxide alarm where gas installations are present.
- BS 5839:6 2013 recommends an LD3 Grade D system in exiting flats. The British Standard should be referred to for variations in flat layouts and designs.

- In new build flats this will be an LD2 Grade D system. The British Standard should be referred to for variations in flat layouts and designs
- Maisonettes above 4.5m will be provided with enhanced fire detection to LD2 standard.
- Where AOVs are required smoke detection in the escape route will be installed. Note. This is not a fire alarm for the communal area.

3.4.2 Means of Escape (in the dwelling)

Ensure that the means of escape arrangements within the dwelling are sufficient to enable the occupants to leave the property when there is a fire.

- For existing flats, the internal layout is assumed to be compliant but if required will be assessed against the benchmark standards described above. Where necessary enhancements to fire detection and fire resistance will be considered.
- Provision of escape windows are required depending on the layout of the flats and escape provisions. In most cases they are likely to be required on the first floor of flats.
- Maisonettes above 4.5m will be provided with FD30 doors (no self-closer) to provide an internal protected route.

3.4.3 Means of Escape (in the building)

Ensure that where the property is part of a larger building, the means of escape are such that the occupants can leave the building if they so wish or are forced to due to the extent of the fire.

- Travel distances and escape routes are assumed to be compliant based on guidance at time of construction.
- This area will be maintained in accordance with the Council's 'zero tolerance' policy and not used for storage.
- Any electrical meter or storage cupboards will be enclosed in 30 minutes fire resisting construction and kept locked shut.
- Refuse chute areas will be enclosed in 30mins FR construction with an FD30S door to be kept shut when not in use.
- Generally emergency lighting will be installed for buildings where flats are accessed above 1st floor or where provision is highlighted by the fire risk assessment.
- Any windows onto communal areas will provide 30mins fire resistance and kept shut.
- Ventilators that breach the escape route should be fitted with an intumescent block.
- Surface linings will be non-combustible (Class 0).

- Where appropriate means to ventilate (smoke control) the escape route should be provided.
- Loft access hatches will be secured shut and the roof space not used for storage.
- Where there is deck/balcony access to flats technical guidance should be consulted in conjunction with the fire risk assessment.

3.4.4 Compartmentation

Ensure suitable compartmentation is provided to contain a fire to its compartment of origin. Where appropriate this should include measures to support a stay put policy.

- All flat entrance doors to be FD30S.
- 60minutes fire resistance will be provided by the walls and floors between dwellings.
- Any openings or gaps through these will be appropriately fire stopped to maintain this level of fire resistance. This will include service shafts and fire walls for example in roof spaces between dwellings.
- Separation from spaces below the flats such as shops by 60 minutes fire resisting construction.
- Bin rooms (large wheeled bins – located on ground floor) will be in separated from the remainder of the flats by 60 minutes fire resisting construction with FD30 doors or enhanced doors to provide additional fire resistance. It is not practicable to keep these locked, however, they should be kept closed when not in use.
- Refuse chutes will be separated from the escape route by 60 minutes fire resistance. Where possible refuse chutes will be phased out.
- Lift installations will be separated from dwellings by fire resisting construction.

3.4.5 Fire Prevention *Promote fire prevention and minimise arson.*

- See 3.2.6.
- Where possible the Council will provide secure refuse/wheelie bin storage spaces away from the building.

3.4.6 Fire Safety Information

Provide tenants (and leaseholders) with fire safety information.

- Fire safety in the home information will be provided to tenants and leaseholders.
- The Council will be proactive in supplying relevant fire safety information which is targeted, and data/intelligence led.
- Appropriate fire action information and no smoking signage will be provided in the common area.

3.4.7 Emergency Response

Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out rescues and fight fire.

- Where appropriate the Council will support access for the Fire & Rescue Service through liaison with other departments and agencies.
- For new build flats the Council will ensure that reasonable facilities and access are provided for the Fire & Rescue Service using current technical guidance.
- Where dry risers are installed these will be adequately serviced and maintained.

3.4.8 Legislation

To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a fire risk assessment for the communal area is undertaken.

- A fire risk assessment will be carried out for the communal area at least every 24 months.
- Recommendations in the FRA action plan will be prioritised for remedial works by Estates & Facilities.
- A summary of the outcomes of the fire risk assessment and any actions to be taken will be provided to the tenants and leaseholders.

3.5 Large flats – Ground + up to 7 floors

These form are the largest buildings containing flats in Cambridge. They may have shops beneath them and in newer buildings, car parking. Flats are also located in a mixed use building along with a community centre and GP surgery. Some flats have a deck or balcony approach which serves a number of flat entrance doors. Maisonette layouts can be found in these flats.

These have been built to various designs in different eras and would have complied the regulations current at the time of construction.

The following features may be found in the common areas;

- bin cupboards
- storage cupboards
- electricity meter cupboards
- refuse chutes
- access to loft spaces
- automatic opening vents (AOV) and or opening vents (OV)
- dry risers may be found in these flats as a compensatory feature for the Fire & Rescue Service
- lift installations
- premises information box (PIB)

To meet the fire safety priorities above, provisions will include the following:

3.5.1 Fire alarm

Ensure there is an early warning of fire such that the occupants are alerted to a fire in their home and can take action to escape.

- Existing flats will be fitted with a fire alarm system appropriate to the dwelling and a carbon monoxide alarm where gas installations are present.
- BS 5839:6 2013 recommends an LD3 Grade D system in existing flats. The British Standard should be referred to for variations in flat layouts and designs.
- In new build flats this will be an LD2 Grade D system. The British Standard should be referred to for variations in flat layouts and designs
- Maisonettes above 4.5m will be provided with enhanced fire detection to LD2 standard.
- Where AOVs are required smoke detection in the escape route will be installed. Note. This is not a fire alarm for the communal area.

3.5.2 Means of Escape (in the dwelling)

Ensure that the means of escape arrangements within the dwelling are sufficient to enable the occupants to leave the property when there is a fire.

- For existing flats, the internal layout is assumed to be compliant but if required will be assessed against the benchmark standards described above. Where necessary enhancements to fire detection and fire resistance will be considered.
- Provision of escape windows are required depending on the layout of the flats and escape provisions. In most cases they are likely to be required on the first floor of flats.
- Maisonettes above 4.5m will be provided with FD30 doors (no self-closer) to provide an internal protected route.

3.5.3 Means of Escape (in the building)

Ensure that where the property is part of a larger building, the means of escape are such that the occupants can leave the building if they so wish or are forced to due to the extent of the fire.

- Travel distances and escape routes are assumed to be compliant based on guidance at time of construction.
- This area will be maintained in accordance with the Council's 'zero tolerance' policy and not used for storage.
- Any electrical meter or storage cupboards will be enclosed in 30 minutes fire resisting construction and kept locked shut.
- Refuse chute areas will be enclosed in 30mins FR construction with an FD30S door to be kept shut when not in use.
- Generally emergency lighting will be installed for buildings where flats are accessed above 1st floor or where provision is highlighted by the fire risk assessment.

- Any windows onto communal areas will provide 30mins fire resistance and kept shut.
- Ventilators that breach the escape route should be fitted with an intumescent block.
- Surface linings will be non-combustible (Class 0).
- Where appropriate means to ventilate (smoke control) the escape route should be provided.
- Loft access hatches will be secured shut and the roof space not used for storage.
- Where there is deck/balcony access to flats technical guidance should be consulted in conjunction with the fire risk assessment.

3.5.4 Compartmentation

Ensure suitable compartmentation is provided to contain a fire to its compartment of origin. Where appropriate this should include measures to support a stay put policy.

- All flat entrance doors to be FD30S.
- 60minutes fire resistance will be provided by the walls and floors between dwellings.
- Any openings or gaps through these will be appropriately fire stopped to maintain this level of fire resistance. This will include service shafts and fire walls for example in roof spaces between dwellings.
- Separation from spaces below the flats such as shops by 60 minutes fire resisting construction.
- Bin rooms (large wheeled bins – located on ground floor) will be separated from the remainder of the flats by 60 minutes fire resisting construction with FD30 doors or enhanced doors to provide additional fire resistance. It is not practicable to keep these locked, however, they should be kept closed when not in use.
- Refuse chutes will be separated from the escape route by 60 minutes fire resistance. Where possible refuse chutes will be phased out.

3.5.5 Fire Prevention *Promote fire prevention and minimise arson.*

- See 3.2.6.
- Where possible the Council will provide secure refuse/wheelie bin storage spaces away from the building.

3.5.6 Fire Safety Information

Provide tenants (and leaseholders) with fire safety information.

- Fire safety in the home information will be provided to tenants and leaseholders.
- The Council will be proactive in supplying relevant fire safety information which is targeted, and data/intelligence led.

- Appropriate fire action information and no smoking signage will be provided in the common area.

3.5.7 Emergency Response

Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out rescues and fight fire.

- Where appropriate the Council will support access for the Fire & Rescue Service through liaison with other departments and agencies.
- For new build flats the Council will ensure that reasonable facilities and access are provided for the Fire & Rescue Service using current technical guidance.
- Where dry risers are installed these will be adequately serviced and maintained.
- A premises information box (PIB) will be installed on these buildings.

3.5.8 Legislation

To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a fire risk assessment for the communal area is undertaken.

- A fire risk assessment will be carried out for the communal area at least every 24 months.
- Recommendations in the FRA action plan will be prioritised for remedial works by Estates & Facilities.
- A summary of the outcomes of the fire risk assessment and any actions to be taken will be provided to the tenants and leaseholders.

Appendix 2 Temporary Housing

There are 4 Temporary Housing facilities in Cambridge, these are:

1. 1 Elizabeth Way
2. 44 Elizabeth Way
3. 116-118 Chesterton Road
4. New Street Hostel

Fire safety priorities: All or some of these apply to Temporary Housing Facilities in Cambridge City:

- 1) Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) Fire Safety Information:** Provide tenants with relevant fire safety information.
- 3) Fire Safety Training:** Training is to be current and includes non CCC occupants where appropriate.
- 4) Means of Escape:** Have in place periodic fire door checks in particular to individual bedroom/bedsit units.
- 5) Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.
- 6) Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment is undertaken.

Appendix 3 Sheltered Schemes

There are 9 (Cat 1) Sheltered Schemes in Cambridge, these are:

1. Ditchburn Place
2. School Court
3. Brandon Court
4. Stanton House
5. Talbot House
6. Ditton Court
7. Rawlyn Court
8. Whitefriars
9. Mansel Court

Fire safety priorities: All or some of these apply to Sheltered Schemes in Cambridge City:

- 1) **Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) **Fire Safety Information:** Provide tenants with relevant fire safety information.
- 3) **Fire Safety Training:** Training is to be current and includes non CCC occupants where appropriate.
- 4) **Means of Escape:** Have in place periodic fire door checks in particular to individual flats.
- 5) **Means of Escape:** Consider an active device linked to the fire system to enable flat entrance doors to be in the open position to manage out door wedging.
- 6) **Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.
- 7) **Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment is undertaken

Appendix 4 Offices

There are 5 office facilities in Cambridge, these are:

1. The Guildhall
2. Mandela House
3. 130 Cowley Road
4. 171 Arbury Road
5. Parson's Court

Fire safety priorities: All or some of these apply to office facilities in Cambridge City:

- 1) Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) Fire Safety Management:** Where appropriate Implement coordination and cooperation arrangements and support to maintain their effectiveness.
- 3) Fire Safety Information:** Provide non CCC tenants with relevant fire safety information.
- 4) Fire Safety Training:** Training is to be current and includes non CCC occupants where appropriate.
- 5) Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.
- 6) Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment is undertaken.

Appendix 4 Narrative

- 1) Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.

These checks are key to the fire safety management in a building. The purpose is to ensure that fire safety measures both passive and active are always available, working and maintained. The items to be checked and the frequency are set out in each fire safety management plan. It is equally important that any defects or issues are actioned and resolved as soon as possible.

- 2) Fire Safety Management:** Where appropriate Implement coordination and cooperation arrangements and support to maintain their effectiveness.

The Fire Safety Order requires for there to be close cooperation and coordination to manage fire safety in a building where it is shared with different occupiers and there are various people with fire safety responsibilities.

- 3) Fire Safety Information:** Provide non CCC tenants with relevant fire safety information.

Sharing of fire safety information links with the coordination and cooperation arrangements above. Fire safety information relating to all areas of the building (including fire risk assessments and emergency evacuation plans) should be shared and where necessary collated jointly. This may include fire safety training and maintenance of fire equipment. This also ties in with routine fire safety checks and audit.

- 4) Fire Safety Training:** Training is to be current and includes non CCC occupants where appropriate.

Training should be refreshed to maintain currency and should include non CCC occupants such as in the Guildhall. Also, staff may be required to work in different areas of their building and should be familiar with the escape routes and procedures for all areas they are likely to find themselves should a fire occur.

Training in accordance with the fire protection strategy for the building is an aspect of the cooperation and coordination arrangements above.

- 5) Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.

The PIB should be reviewed at least annually to make the information contained will be of use in an emergency. The Fire & Rescue Service should be informed of other relevant risk information that is not appropriate to be held only in the PIB. They should also be given access to the building for familiarisation or

- 6) Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment is undertaken.

The FRA informs CCC of the risk level of the building and the level of compliance with the FSO. Although FRA's are an integral part of the Fire Risk Management Strategy and the Fire Safety Management Plan, the building manager should ensure this is undertaken with the appropriate timescales (12 months).

Appendix 5 Car Parks

There are 5 car park facilities in Cambridge, these are:

1. Grand Arcade
2. Park Street
3. Queen Anne
4. Grafton Centre West
5. Grafton Centre East

Fire safety priorities: All or some of these apply to car park facilities in Cambridge City:

- 1) Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) Fire Safety Management:** Where appropriate implement coordination and cooperation arrangements and support to maintain their effectiveness.
- 3) Fire Safety Training:** Training is to be current in particular in the use of firefighting equipment.
- 4) Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.
- 5) Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment is undertaken

Appendix 6 Crematorium

Fire safety priorities: these apply to Cambridge Crematorium:

- 1) **Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) **Fire Safety Training:** Training to take account of the nature of the activities and processes undertaken and the presence of members of the public.
- 3) **Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.
- 4) **Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment is undertaken.

Appendix 7 Community Buildings/Centres

There are 6 community centre facilities in Cambridge, these are:

1. The Clay Farm Community Centre
2. Storey's Field Centre
3. Meadows Community Centre
4. Brownsfield Community Centre
5. Buchan Street Centre
6. 84 Akeman Street

Fire safety priorities in Community Centres. All or some of these apply to Community Centres in Cambridge City:

- 1) Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) Fire Safety Management:** Where appropriate implement coordination and cooperation arrangements and support to maintain their effectiveness.
- 3) Fire Safety Information:** Provide timely and relevant fire safety information to users and hirers of the building.
- 4) Fire Safety Management:** For new buildings to have a sound understanding of the fire protection strategy principles as designed.
- 5) Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.

Legislation: Ensure the Fire & Rescue Service has reasonable facilities and access to the premises to carry out rescues and fight fire

Appendix 8 Depots

There are 3 depots in Cambridge, these are:

1. 130 Cowley Road (with offices)
2. Cowley Road
3. Waterbeach Garage

Fire safety priorities: All or some of these apply to depot facilities in Cambridge City:

- 1) Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) Fire Safety Management:** There should be a focus on the correct handling, use and storage of flammable materials and associated equipment.
- 3) Fire Safety Training:** Training is to be current in particular in the use of firefighting equipment.
- 4) Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.
- 5) Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2005, ensure a Fire Risk Assessment is undertaken.

Appendix 9 Mixed Use and Multiple Occupancy Business Units

There are 4 Multiple Occupancy Business Units in Cambridge, these are:

1. Orwell House
2. Barnwell House
3. Dales Brewery Business Centre
4. Gwydir Street Enterprise Centre

Fire safety priorities: All or some of these apply to Multiple Occupancy Business Units in Cambridge City:

- 1) **Fire Safety Management:** Establish routine fire safety checks are carried out, recorded and remedial actions implemented.
- 2) **Fire Safety Management:** Where appropriate implement coordination and cooperation arrangements and support to maintain their effectiveness.
- 3) **Means of Escape:** Ensure common areas are managed to ensure the means of escape arrangements are sufficient to enable the occupants to leave the building when there is a fire.
- 4) **Fire Safety Training:** Training is to be current and includes non CCC occupants where appropriate.
- 5) **Fire Safety Information:** Where relevant provide users of the building with fire safety information.
- 6) **Emergency Response & Liaison:** Ensure the Fire & Rescue Service have reasonable facilities and access to the premises to carry out their duties. Information held in the Premises Information Box (PIB) should be relevant and current.
- 7) **Legislation:** To be compliant with the Regulatory Reform (Fire Safety) Order 2015, ensure a Fire Risk Assessment for the communal area is undertaken.



Item

TEMPORARY AGENCY WORKER PROVISION FROM DECEMBER 2019

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee 07.10.2019

Report by:

Deborah Simpson, Head of Human Resources

Tel: 01223 - 458101 Email: Deborah.Simpson@cambridge.gov.uk

Wards affected:

All

1. Executive Summary

- 1.1 Temporary agency workers are used to ensure service delivery including; covering short term demands for specific projects, managing peaks and troughs of service volumes, for seasonal work, whilst undertaking service reviews, covering the recruitment period for a vacant post, maternity or sickness.
- 1.2 The demand for temporary agency workers has increased since April 2019 and the transfer of the running of the Corn Exchange and Folk Festival from Cambridge Live.
- 1.3 The Council uses a national framework contract created specifically to enable ease of procurement of agency workers. Under this contract one provider takes responsibility for delivering services on behalf of the council, as an alternative to the council managing a framework of contracts with individual agencies. The framework contract is designed to deliver cost savings on agency rates and time and cost savings on

administration through on line systems. The framework provides clarity of terms and assurances for the Council on financial stability, track record, experience and professional ability.

- 1.4 Having a managed service provider contract enables the Council to simply and easily make requests for agency workers through the supplier (managed service provider), who reaches out digitally to all of the agencies with whom they have an agreement for that category of agency worker. With our current provider and framework contract this can be as many as 100 agencies.
- 1.5 It is anticipated that the Council will continue to need temporary agency cover on an ad hoc basis in order to ensure appropriate continuity in service delivery and this report presents a recommended option for the future provision of temporary agency worker services with effect from 20 December 2019.

2.0 Recommendations

The Executive Councillor is recommended to:

- 2.1 Delegate authority to the Head of Human Resources, following agreement by the Strategic Director, in consultation with the Executive Councillor for Finance and Resources, to procure a Managed Service Provider for the provision of temporary agency workers through the national Managed Services for Temporary Agency Resources (MSTAR3) framework, with effect from 20 December 2019.

3. Background

- 3.1 Following a report to Strategy and Resources Scrutiny Committee in October 2015, the current contract with Comensura was procured through call-off from the ESPO (Eastern Shires Purchasing Organisation) national framework agreement for the provision of agency workers, Managed Services for Temporary Agency Resources (MSTAR2). This arrangement has been in place since December 2015 and was set up for a period of 3 years with the option to extend for up to a further 1 year. The full contract term and option to extend have been taken and the current contract ends on 20 December 2019.
- 3.2 In April 2019 a new framework agreement (653F_19) for the provision of agency workers was again set up by ESPO, called Managed Services for

Temporary Agency Resources (MSTAR3). The new MSTAR3 framework is a national framework for the provision of a managed service for the provision of temporary agency resourcing to local authorities, central government departments and their agencies, schools and academies, NHS and HSC bodies, Police and Emergency services and Registered Charities throughout the UK. It offers competitive agency and service provider fees.

- 3.3 Following review of the MSTAR3 framework a recommendation is being made for direct call-off from the framework. The review has included representatives from HR (lead service), Legal, Procurement, Internal Audit, Finance, Payroll and 3CICT. Representatives from services and the trade unions have also been consulted.
- 3.4 Having considered the options under the MSTAR3 framework agreement it is recommended that we procure a managed service provider under this contract from 20 December 2019, for 3 years with the possible option to extend for a further 1 year.
- 3.5 It should be noted that much of the current spend on agency workers is from existing salary budgets, i.e where the agency worker is engaged to provide cover for holiday, sickness, a vacant post, maternity, or for short term demand. Agency workers are funded from salary or specific agency worker budgets and spend is managed within service areas. Spend can increase or decrease given the demand on that service but must be managed by the service. There is no additional budget bid arising from this procurement.
- 3.6 By using the MSTAR3 framework contract there will be a smooth transition from one contract to another without the need for staff to spend time on the transition process.

4. Implications

a) Financial Implications

Cambridge City Council funds temporary agency workers through existing temporary worker/agency budgets and funding from vacant posts. Annual spend fluctuates with demand by services but on average is £2.2m per annum.

Processes are in place for ordering and approving timesheets. Spend is monitored by the Management Information Review Groups, comprising

Head of Human Resources, the current Human Resources lead for the management of the contract, service representatives covering the interests of those using temporary agency workers, the trade unions and further scrutiny is maintained by heads of Service, Directors and Strategic Leadership Team.

Page: 4

b) Staffing Implications

No staffing impacts have been identified for the implementation of the new arrangements other than officer time.

c) Equality and Poverty Implications

An EQIA has been undertaken and no adverse equality impacts have been identified. The EQIA is attached.

d) Environmental Implications

No environmental implications have been identified.

e) Procurement Implications

The Strategic Procurement Manager has been involved in the proposal to call-off a managed service provider from the nationally procured MSTAR3 framework contract. Legal Services have also been consulted on the framework arrangements.

f) Community Safety Implications

CRB/DBS checks are undertaken where appropriate for temporary agency workers. The provisions of the MSTAR3 contract have been reviewed by the Council's Lead Signatory for DBS.

5. Consultation and communication considerations

Following review of the MSTAR3 framework a recommendation is being made for direct call-off from the framework. The review has included representatives from HR (lead service), Legal, Procurement, Internal Audit, Finance, Payroll and 3CICT. Representatives from services and the trade unions have also been consulted.

6. Background papers

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

- MSTAR3: Managed Service for Temporary Agency Resources Documentation
- Existing contract monitoring data
- Strategy & Resources Scrutiny Committee – Record of Executive Decision October 2015.

7. Appendices

An Equality Impact Assessment (EQIA) is attached.

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Deborah Simpson, Head of Human Resources, tel: 01223 - 458101, email: deborah.simpson@cambridge.gov.uk.

This page is intentionally left blank

Cambridge City Council Equality Impact Assessment (EqIA)



This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at equalities@cambridge.gov.uk or phone 01223 457046. Once you have drafted the EqIA please send this to equalities@cambridge.gov.uk for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, (graham.saint@cambridge.gov.uk or 01223 457044).

1. Title of strategy, policy, plan, project, contract or major change to your service:
Temporary Agency Worker Provision from December 2019.
2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)
Not available
3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?
<p>A current contract is in place to December 2019 for the provision of temporary agency workers. We are recommending that new arrangements be made from 20 December 2019 under the national MSTAR3 framework contract.</p> <p>The specification includes the requirement to provide monitoring data on ethnicity, disability, gender, age, religion/belief and sexual orientation. Monitoring data will continue to be available and will be analysed quarterly to assess any impact.</p> <p>The neutral supply chain provider option is recommended to ensure use of large national and small local agencies.</p>

4. Responsible Service

Human Resources

5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

- ☐ Residents of Cambridge City
- ☐ Visitors to Cambridge City
- x ☐ Staff

Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):

The contract is only provided for all services of the city council to use.

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

- ☐ New
- ☐ Major change
- x ☐ Minor change New contract provision.

7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)

- ☐ No
- x ☐ Yes (Please provide details):

All city council services requiring temporary agency workers.

Legal, Procurement, Internal Audit, Finance, Payroll and 3CICT have been consulted about the framework contract specification. Representatives from services and the trade unions have also been consulted.

8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?

The report will go to the Strategy & Resources Scrutiny Committee on 7 October 2019.

9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?

Current contract monitoring data and provisions in the new framework contract.

10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

(a) Age

Note that this refers to any group of people of a particular age (e.g. 32 year-olds) , or within a particular age range (e.g. 16-24 year-olds) – in particular, please consider any safeguarding issues for children and adults at risk

Management information is monitored. The age profile of agency workers is predominantly younger than the council's workforce profile.

CCC Safeguarding policy will be made available to agency workers.

Jobs requiring CRB/DBS checks are identified to ensure agencies have these in place for candidates being submitted.

(b) Disability

Note that a person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Management information is monitored but is limited to where a self-declaration has been made. There are very low numbers of self-declarations. There is a high percentage of 'prefer not to say' declarations by agency workers. The Cambridge City Council Disability profile of staff is 6%.

(c) Gender reassignment

Monitoring data on gender reassignment is not available for agency workers.

(d) Marriage and civil partnership

Monitoring data on marriage or civil partnership is not available for agency workers.

(e) Pregnancy and maternity

A risk assessment will be undertaken for an agency worker where we are notified of pregnancy.

(f) Race

Note that the protected characteristic 'race' refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Management information is monitored. The ethnicity profile of agency workers where this has been declared is higher (11.6%) than for the Cambridge City Council's workforce declaring themselves as BAME (7.2%). There is a higher incidence of 'prefer not to say/missing data' for agency workers at 47% in a recent quarter, compared to 1.61% of staff.

(g) Religion or belief

Monitoring data is currently not available for agency workers but will be provided under the new contract.

(h) Sex

Management information is monitored. The sex profile of agency workers is predominantly male at 64% in a recent quarter, and 36% female, compared to Cambridge City Council's workforce profile of 50% female, 50% male.

(i) Sexual orientation

Monitoring data is currently not available for agency workers but will be provided under the new contract.

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty

Agency Worker Regulations (AWR)

Those agency workers meeting AWR nationally agreed triggers after 12 weeks (dependent on circumstances) are entitled to receive the same pro rata holiday entitlement and where there is a comparable post at Cambridge City, same rate of pay.

Agency Workers meeting performance review criteria undergo performance review. Where applicable they receive an increment.

Over 100 agencies are invited under the current contract to provide temporary workers and these include local providers which helps SME's and also low income candidates who are able to sign up locally with an agency.

The neutral vendor signs up agencies to our specifications and ensures appropriate pay arrangements are in place.

It is proposed to continue these arrangements under the new contract

11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)

Management information will be provided on a quarterly basis under the new contract.

12. Do you have any additional comments?

No

13. Sign off

Name and job title of lead officer for this equality impact assessment:

Deborah Simpson, Head of Human Resources

Names and job titles of other assessment team members and people consulted:

Date of EqlA sign off: September 2019

Date of next review of the equalities impact assessment: October 2023

All EqlAs need to be sent to Helen Crowther, Equality and Anti-Poverty Officer. Has this been sent to Helen Crowther?

x ☐ Yes

☐ No

Date to be published on Cambridge City Council website:



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

Report by: Head of Environmental Services

Relevant scrutiny committee: Strategy & Resources Scrutiny
Committee 07/10/2019

Wards affected: Abbey, Castle, East Chesterton, Market, Newnham, and
West Chesterton.

Local Government Ombudsman (LGO) COMPLAINT 18/005/464

Key Decision

1. Executive summary

1.1 The LGO has upheld a complaint relating to the Council referencing the Moorings Policy. A copy of the LGO decision is attached at Appendix A.

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

Ms X complains the Council will not offer a moorings licence for her boat. The Council is at fault as it has not properly considered if Ms X's circumstances are exceptional enough to warrant a departure from its moorings policy and offer her a licence. The Council will consider Ms X circumstances in its welfare assessment. If the Council decides Ms X's circumstances are exceptional enough not to take enforcement action it should then consider if it they warrant a departure from its moorings policy and offer a licence to her. This is an appropriate remedy for Ms X's injustice.

- 1.3 The Council has completed an assessment of Ms X exceptional circumstances and in doing so has completed a proportionality checklist. The LGO were notified of our decision and they wrote on the 19th June 2019 that *we are satisfied you have now carried out the agreed actions and we have ended our involvement with this case.*
- 1.4 In response to the findings and decision, the Council has amended its procedures to, in future it will now complete a proportionality checklist using the welfare information it requires at the assessment stage prior to legal action. If occupiers fail to respond to enquiries and/ or to provide information requested, the Council may proceed immediately to issue claims against them.
- 1.5 If occupiers have provided information which is relevant to the Council's duties under section 11 of the Children Act 2004, Article 8 of the European Convention on Human Rights or the Public Sector Equality Duty, then further consideration is given to making reasonable adjustments.

2. Recommendations

The Executive Councillor is recommended:

- a) To note that LGO has upheld a complaint relating to an unauthorised mooring;
- b) To note that in these circumstances that the Head of Legal Services as the Council's Monitoring Officer has an obligation to report the findings to the Council and
- c) that Committee is satisfied with the action that has been taken (set out in Section 6 of the report);

3. The complaint and the LGO investigation

- 3.1 Ms X complains that:
- a) The Council's mooring policy is discriminatory as it does not take account of a person's circumstances and needs;
 - b) The Council failed to take account of her family's exceptional circumstances by not offering a licence above others on the waiting list. Ms X considers the Council is acting unfairly as it has offered licences to others who are not at the top of the waiting list because of their circumstances but it will not offer a licence to her;

- c) The Council failed to take action against existing licence holders who are breaching the terms of the licence. Had the Council done so licences would become available;
- d) The Council failed to transfer the narrow boat licence offered to Mr Y and Ms X to a widebeam narrow boat licence as Ms X requested;
- e) The Council is unreasonably seeking to evict Ms X and her family from her mooring as she does not have a licence.

4 Background to the complaint

- 4.1 Ms X lives on a riverboat which she moors on a residential mooring managed by the Council. The Council's policy is to require people wanting to use its moorings to have a licence and for their boat to be their sole residence. There is a lengthy waiting list for a licence and the Council operates the list in chronological order.
- 4.2 Ms X has applied for a licence but the Council has not offered a licence to her as she is currently 25th on the list. The Council considers her to be breaching its mooring policy by using a residential mooring without a licence.
- 4.3 In 2017 the Council reviewed its mooring policy. In doing so it carried out an equality impact assessment. The Council consulted several groups and rivers users including Ms X. The Council set out the results of the consultation in a report which was considered by the Council's Strategy and Resources Scrutiny committee. The report addressed some of the comments made during the consultation. This included that the allocation of licences should be based on housing need rather than on chronological order. Ms X also attended the meeting and spoke in favour of licences being allocated based on housing need. The Council's position was that moorings were not managed to provide or considered to be social housing.
- 4.4 The Executive Councillor for Strategy and Finance approved the policy.
- 4.5 The Council notified Ms X she was breaching its mooring policy as she was moored without a licence.
- 4.6 Ms X made a number of complaints to the Council. These included that its moorings policy was discriminatory as it did not take account of housing need. Ms X considered the Council should

allocate a licence to her outside of its policy as she had exceptional circumstances.

- 4.7 The Council considered Ms X's complaint through its complaints procedure. This included consideration by an independent investigator. The independent investigator (ICI) did not consider the Council's mooring's policy to be discriminatory.
- 4.8 The ICI said the Council would consider Ms X's circumstances by carrying out a welfare assessment before considering if enforcement action is appropriate.
- 4.9 Ms X made further complaints that the Council was failing to take enforcement action against other boat owners who were breaching the terms of their licence.
- 4.10 The ICI considered the Council's action against Ms X for mooring without authorisation was in accordance with its moorings policy. Ms X has said she did not receive this letter and disputes the Council investigated her allegations.
- 4.11 The Council has asked Ms X to complete a welfare assessment. And stated that the Council will consider this assessment before deciding if it should evict Ms X from the mooring. Ms X disputes the Council has asked her to complete a welfare assessment.

5 LGO assessment and findings

- 5.1 The LGO investigated and consider the complaint, a summary of their findings is set out below.
 - 5.1.1 The Council is entitled to set its own moorings policy and it is not the Ombudsman's role to decide what that policy should be and how it should allocate moorings. They can only examine if there was fault in how the Council reviewed its policy in 2017.
- 5.2 Review of the Moorings Policy
 - 5.2.1 The LGO found no evidence of fault in how the Council reviewed its mooring policy. The Council consulted river user groups. Ms X also had the opportunity to comment on the policy. The report to the Executive Councillor sets out a summary of the comments received, including comments that the allocation of moorings should be based on housing need. It explains why the Council does not consider it to be appropriate and why it should allocate by

chronological order. The LGO are therefore satisfied the Council considered if it should allocate according to housing need and there is no fault in how it reached its decision that it should allocate by chronological order.

5.3 Consideration of Ms X's circumstances and eviction

5.3.1 The Council stated it does not consider Ms X's circumstances to warrant a departure from its moorings policy and allocate her a licence despite not being at the top of the waiting list. The key reasons for this decision are that it would be potentially discriminating against others on the waiting list who also may have exceptional circumstances and that the moorings policy is not intended to address housing need. But this is not consideration of whether Ms X's individual, personal circumstances warrant a departure from the moorings policy.

5.3.2 The Council has discretion to depart from its policies if there are good reasons to do so. The Council must give proper consideration to Ms X's personal circumstances and consider if they are exceptional enough to warrant a departure from its moorings policy. This decision should be based on Ms X's individual circumstances, not the potential circumstances of others.

5.4 Transfer of narrow boat licence to Ms X

5.4.1 The LGO was content that there was no evidence of fault in how the Council made its decision not to transfer Mr Y's narrow boat licence to Ms X.

5.4.2 The Council explained it could not do this as Ms X was not at the top of the waiting list and she was not a joint applicant. Ms X has said she was a joint applicant and other applicants have transferred between the lists.

5.5 LGO agreed action and final decision

In summary Ms X complains the Council will not offer a moorings licence for her boat. The Council is at fault as it has not properly considered if Ms X's circumstances are exceptional enough to warrant a departure from its moorings policy and offer her a licence. The Council will consider Ms X circumstances in its welfare assessment. If the Council decides Ms X's circumstances are exceptional enough not to take enforcement action it should then consider if they warrant a departure from its moorings policy

and offer a licence to her. This is an appropriate remedy for Ms X's injustice.

6 Summary of actions taken by the Council

- 6.1 The Council considered Ms X exceptional circumstances and made a decision in June '19 as follows:-

We have now considered your circumstances, in doing so, we referred back to previous correspondence we have had with you, and the information you supplied in the welfare assessment dated 5th June, 2018, and the information you supplied in reply to our letter of the 22nd May, 2019, which sought additional information.

Having considered all the available information, we have concluded that your circumstances do not warrant a departure from our moorings policy in that we cannot offer reasonable adjustment....

- 6.2 The Council also took further legal advice on a range of matters relating to the enforcement of its Moorings Policy. The Council now completes a proportionality checklist using the welfare information it requires and seeks to collect at the assessment stage prior to legal action. If occupiers have failed to respond to enquiries and requested, we are advised that there is no reason why the Council cannot proceed immediately to issue claims against them.
- 6.3 If occupiers have provided information which is relevant to the Council's duties under section 11 of the Children Act 2004, Article 8 of the European Convention on Human Rights or the Public Sector Equality Duty, then further consideration is given to making reasonable adjustments
- 6.4 We sought additional information from Ms X relating to her stated circumstances before reaching a final decision.
- 6.5 The Head of Environmental Services considered and reviewed the complaint before making a final decision.

7 Implications

(a) Financial Implications

The are no financial implications associated with this complaint

(b) Staffing Implications

Officers have been briefed about the outcome of the investigations by the ICI and LGO.

(c) Equality and Poverty Implications

Any EQIA was completed to accompany the proportionality checklist relating to the Council's final decision following the recommendation of the LGO.

(d) Environmental Implications

This report has no climate change impact

(e) Procurement

There are no current procurement related issues associated with the recommendation in this report.

(f) Consultation and communication

No consultations were necessary to prepare this report

(g) Community Safety

No direct or indirect community safety implications

8. Background papers

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

River Moorings Policy 2017 -2023, Technical Document
River Moorings Policy Consultation Summary report
EQIA for proposed changes

9. Appendices

Appendix A - LGO decision letter dated 19th March 2019
Appendix B - Proportionality checklist

10. Inspection of papers

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

Author's Name: Alistair Wilson
Author's Phone Number: 01223 458514
Author's Email: alistair.wilson@cambridge.gov.uk

Appendix A - LGO decision letter dated 19th March 2019

Appendix B – Proportionality Checklist

UNLICENSED BOATS, CAMBRIDGE PROPORTIONALITY CHECKLIST

Name and position of person completing this assessment:	
Name of boat owner: Date of birth of boat owner:	
Names and dates of birth of any household members living on board:	
Name and location of boat:	
Right to possession:	
Why does the Council need possession of the land?	
What right, if any, does the owner have to occupy Riverside?	
What evidence have you considered in completing this checklist?	
What has been done to assist the owner to find an alternative location for mooring the boat or alternative accommodation? <i>(please give details)</i>	
Has the owner been informed of their right to seek assistance from the Council's Housing Advice service or Children's Services? <i>(please give details, including of the outcome of</i>	

<i>any application for assistance)</i>	
Does the owner or a member of their household living on board have a disability under the Equality Act 2010? <i>(please give details)</i>	
Does the household include any children? <i>(please give details)</i>	
What would be the impact of a possession order on the occupier and their household – including any children? <i>(please give details)</i>	
Has the owner/household member faced any difficulties in finding alternative accommodation as a result of their protected characteristics? <i>(please give details, including of any adjustments made by the Council to assist)</i>	
What is your final decision? <i>(please explain why any decision to seek possession is justified)</i>	

The Ombudsman's final decision

Summary: Ms X complains the Council will not offer a moorings licence for her boat. The Council is at fault as it has not properly considered if Ms X's circumstances are exceptional enough to warrant a departure from its moorings policy and offer her a licence. The Council will consider Ms X circumstances in its welfare assessment. If the Council decides Ms X's circumstances are exceptional enough not to take enforcement action it should then consider if they warrant a departure from its moorings policy and offer a licence to her. This is an appropriate remedy for Ms X's injustice.

The complaint

1. Ms X complains that:
 - a) The Council's mooring policy is discriminatory as it does not take account of a person's circumstances and needs.
 - b) The Council failed to take account of her family's exceptional circumstances by not offering a licence above others on the waiting list. Ms X considers the Council is acting unfairly as it has offered licences to others who are not at the top of the waiting list because of their circumstances but it will not offer a licence to her.
 - c) The Council failed to take action against existing licence holders who are breaching the terms of the licence. Had the Council done so licences would become available.
 - d) The Council failed to transfer the narrow boat licence offered to Mr Y and Ms X to a widebeam narrow boat licence as Ms X requested
 - e) The Council is unreasonably seeking to evict Ms X and her family from her mooring as she does not have a licence.

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)

-
3. If we are satisfied with a council's actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i), as amended*)

How I considered this complaint

4. I have:
 - Considered the complaint and the information provided by Ms X;
 - Made enquiries of the Council and considered the information provided;
 - Invited Ms X and the Council to comment on the draft decision.

What I found

5. Ms X lives on a riverboat which she moors on a residential mooring managed by the Council. The Council's policy is to require people wanting to use its moorings to have a licence and for their boat to be their sole residence. There is a lengthy waiting list for a licence and the Council operates the list in chronological order. So the person who has been on the waiting list the longest will be the person offered the next available licence.
6. Ms X has applied for a licence but the Council has not offered a licence to her as she is currently 25th on the list. The Council considers her to be breaching its mooring policy by using a residential mooring without a licence.
7. In 2017 the Council reviewed its mooring policy. In doing so it carried out an equality impact assessment. The Council consulted a number of groups and rivers users including Ms X. The Council set out the results of the consultation in a report which was considered by the Council's scrutiny committee. The report addressed some of the comments made during the consultation. This included that the allocation of licences should be based on housing need rather than on chronological order. Ms X also attended the meeting and spoke in favour of licences being allocated on the basis of housing need. The Council's position was that moorings were not managed to provide or considered to be social housing. The Council's Executive Councillor approved the policy.
8. The Council notified Ms X she was breaching its mooring policy as she was moored without a licence.
9. Ms X made a number of complaints to the Council. These included that its moorings policy was discriminatory as it did not take account of housing need. Ms X considered the Council should allocate a licence to her outside of its policy as she had exceptional circumstances. This is because she is Roma and she and her children have disabilities. In later correspondence Ms X also said she is the carer for the owner of a neighbouring boat. Ms X also complained the Council granted a licence to another boat owner outside the waiting list and that it would not transfer a narrowboat licence issued to Mr Y to her as joint licensee.
10. The Council considered Ms X's complaint through its complaints procedure. This included consideration by an independent investigator. The independent investigator did not consider the Council's mooring's policy to be discriminatory. He said the Council would consider Ms X's circumstances by carrying out a welfare assessment before considering if enforcement action is appropriate.
11. Ms X made further complaints that the Council was failing to take enforcement action against other boat owners who were breaching the terms of their licence.

Ms X identified a number of people who she considered were moored without permission or were breaching their licence.

12. The Council's independent investigator considered the complaints. In his letter to Ms X the independent investigator said he had investigated Ms X allegations by:
- carrying out a site visit of boats moored on the Council's land,
 - discussing each owner's circumstances and the Council assessment of their mooring status with officers;
 - obtained witness statements and assessed evidence which demonstrates the Council is initiating enforcement action against some people named by Ms X. Others had provided proof they were not breaching the mooring policy.

The independent investigator considered the Council's action against Ms X for mooring without authorisation was in accordance with its moorings policy. Ms X has said she did not receive this letter and disputes the Council investigated her allegations.

13. The Council has asked Ms X to complete a welfare assessment. It will consider this assessment before deciding if it should evict Ms X from the mooring. Ms X disputes the Council has asked her to complete a welfare assessment.
14. In response to my enquiries the Council has said:
- The purpose of its moorings policy is to ensure the river is used in a balanced way. The Council seeks to manage moorings sustainably, balancing the needs of boat owners with recreational and residential needs of others. It limits the moorings available to ensure this balance. The Council's moorings policy is not part of the Council's housing function and it cannot allocate moorings according to housing need.
 - It has considered Ms X's personal circumstances and does not consider they are exceptional to warrant a departure from its policy. This is because the Council could be disadvantaging against others on the moorings policy waiting list who may have greater need.
 - It will consider Ms X's circumstances further when it carries out its welfare assessment to determine if it should take enforcement action.
 - It will not transfer a narrow boat mooring licence to a wide beam licence as it is unfair to people on the wide beam licence waiting list. The Council would only transfer a narrow boat licence to a wide beam licence if the applicant was first on the waiting list for a wide beam licence. It has also said Ms X was not a joint applicant for a narrow boat licence with Mr Y.
 - The Council has also said that it engaged a private investigator to look at Ms X's allegations that other boat owners were breaching the moorings policy. This appears to have been the Council's independent investigator who considered Ms X's complaint. The Council has said the investigator did not find evidence to support Ms X's allegations. The Council has not provided the investigator's records of his investigation as requested.
15. The Council has provided details to show it is taking enforcement action against a number of boat owners it considers are breaching the moorings policy. I cannot disclose these details to Ms X as they are confidential.

My assessment

Moorings policy

16. The Council is entitled to set its own moorings policy and it not the Ombudsman's role to decide what that policy should be and how it should allocate moorings. I can only examiner if there was fault in how the Council reviewed its policy in 2017.
17. There is no evidence of fault in how the Council reviewed its mooring policy. The Council consulted river user groups. Ms X also had the opportunity to comment on the policy. The report to the Executive Councillor sets out a summary of the comments received, including comments that the allocation of moorings should be based on housing need. It explains why the Council does not consider it to be appropriate and why it should allocate by chronological order. I am therefore satisfied the Council considered if it should allocate according to housing need and there is no fault in how it reached its decision that it should allocate by chronological order. So I do not have grounds to question its decision.

Consideration of Ms X's circumstances and eviction

18. The Council has said it does not consider Ms X's circumstances to warrant a departure from its moorings policy and allocate her a licence despite not being at the top of the waiting list. It has said the key reasons for this decision are that it would be potentially discriminating against others on the waiting list who also may have exceptional circumstances and that the moorings policy is not intended to address housing need. But this is not consideration of whether Ms X's individual, personal circumstances warrant a departure from the moorings policy. The Council has discretion to depart from its policies if there are good reasons to do so. The Council is at risk of fettering its discretion if it does not give proper consideration to Ms X's personal circumstances and consider if they are exceptional enough to warrant a departure from its moorings policy. This decision should be based on Ms X's individual circumstances, not the potential circumstances of others.
19. In response to my draft decision the Council said it considers it is not at fault for not considering Ms X's circumstances as it had held the matter in abeyance pending the outcome of my investigation. It always intended to consider Ms X's circumstances. This is in conflict with the Council's response to my enquiries saying it had considered Ms X's circumstances. I remain of the view the Council is at fault as it should have considered whether Ms X's personal circumstances were exceptional enough to warrant a departure from its moorings policy when she first raised the matter in her complaint. The Council can consider if a departure from its moorings policy is warranted at any time. It not limited to considering personal circumstances only when deciding if it should take enforcement action.
20. Ms X cannot be certain the Council has given proper consideration to her personal circumstances. But the Council will consider Ms X's individual circumstances as part of its welfare assessment in order to inform its decision as to whether it should take enforcement action. If the Council considers Ms X's circumstances to be exceptional enough not to take enforcement action, it should go on to consider if her circumstances warrant a departure from its moorings policy to issue a licence to her. This would remedy the injustice to Ms X caused by the Council not properly considering if her circumstances are exceptional to warrant a departure from its moorings policy.

Investigation into Ms X's allegation about other boat owners breaching the moorings policy

21. The Council has provided evidence to show it is taking enforcement action against boat owners who it has found to be breaching the moorings policy. So, I am satisfied it is taking action when it becomes aware of breaches of the mooring policy. However, it has not provided evidence to show how the investigator examined Ms X's allegations against specific boat owners, such as records of site visits, interviews, witness statements and his detailed findings on each boat owner. I therefore cannot say whether or not there is fault in the investigation into Ms X's specific allegations.
22. But I will not pursue this matter further as any fault in the investigation into Ms X's allegations against specific boat owners would not cause significant injustice to her. Ms X is not high enough on the waiting list so would not be denied a licence by any fault in the investigation.

Transfer of narrow boat licence to Ms X

23. There is no evidence of fault in how the Council made its decision not to transfer Mr Y's narrow boat licence to Ms X. The Council has explained it could not do this as Ms X was not at the top of the waiting list and she was not a joint applicant. Ms X has said she was a joint applicant and other applicants have transferred between the lists. But I will not pursue these matters any further as I do not consider that the Council would have offered a wide beam licence to Ms X even if she was a joint applicant. Narrow boat and wide beam waiting lists are separate and the Council will not generally transfer a licence unless the applicant is also top of the waiting list for a wide beam mooring. Ms X was not at the top of the wide beam waiting list.

Agreed action

24. That the Council considers Ms X's personal circumstances during its welfare assessment. In the event the Council decides Ms X's circumstances are exceptional enough not to take enforcement action it should go on to consider if her circumstances warrant a departure from its moorings policy and offer her a licence. The Council should provide detailed reasons for its decision to Ms X and the Ombudsman. It will also take this action within three months of my final decision.

Final decision

25. Ms X complains the Council will not offer a moorings licence for her boat. The Council is at fault as it has not properly considered if Ms X's circumstances are exceptional enough to warrant a departure from its moorings policy and offer her a licence. The Council will consider Ms X's circumstances in its welfare assessment. If the Council decides Ms X's circumstances are exceptional enough not to take enforcement action it should then consider if her circumstances warrant a departure from its moorings policy and offer a licence to her. This is an appropriate and proportionate remedy for Ms X's injustice so I have completed my investigation.

Parts of the complaint I did not investigate

26. During the course of my investigation Ms X raised new complaints about the Council disclosing her personal information and delays in sending a welfare

assessment to her. She has also raised new complaints about the Council accusing her of noise pollution and about her council tax. I have not investigated these complaints. This is because we cannot investigate new complaints raised during an investigation. The Council must be given the opportunity to investigate the complaints before the Ombudsman can consider them. Ms X may also be able to make a complaint to the Information Commissioner about the Council disclosing her personal information.

Investigator's decision on behalf of the Ombudsman



Item

REVIEW OF COUNCIL TAX REDUCTION SCHEME

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee 7/10/19

Report by:

Naomi Armstrong, Benefit Manager

Tel: 01223 - 457752 Email: naomi.armstrong@cambridge.gov.uk

Wards affected:

All

Key Decision

1. Executive Summary

1.1 This review and report seeks to deliver three primary objectives:

- Move towards a scheme that is more adaptable to Universal Credit regulations.
- Provide clarity to Universal Credit claimants as to what their entitlement to Council Tax Reduction will be.
- Mitigate against expected reduction in Government administration grants for processing Council Tax Reduction claims.

2. Recommendations

The Executive Councillor is asked to recommend to Council that:

2.1 The proposed localised Council Tax Reduction schemes (as set out in this report) are put forward to Full Council for its approval at the meeting to be held on 17 October 2019.

Summary of key recommendations from April 2020:

2.1.1 To adopt earnings based banded local Council Tax Reduction scheme for Universal Credit claimants and to have fixed non-dependant deductions for these claims.

2.1.2 To continue with the current Council Tax Reduction scheme (to include annual uprating) for working age claimants who are not in receipt of Universal Credit.

2.1.3 To agree uprating equal to September CPI for income bands, amounts to pay and non-dependant bands and deductions.

2.1.4 To approve delegation of the Council Tax Reduction schemes annual review to the Head of Revenues and Benefits, and subject to the above recommendations being adopted, that these schemes continue (subject to uprating) until March 2023.

2.1.5 To provide transitional protection for households transferring to the banded scheme on 1 April 2020.

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 recipients 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 Following Strategy and Resources Scrutiny Committee on 1 July 2019, a consultation (Appendix A) was started on 5 July 2019, concluding on 8 September 2019, which sought views on the proposals to revise the Council Tax Reduction scheme for Universal Credit claimants, where entitlement to a reduction would be based on their income from earnings.

- 3.4 The consultation explained that the reason for change is due to the current scheme no longer aligning with changes to national welfare benefits, and outlined key issues.
- Fluctuating earnings will lead to monthly changes to Universal Credit entitlement, which in turn will result in monthly changes to Council Tax Reduction with increased numbers of Council Tax bills and notification letters.
 - A simplified scheme will be easier for customers to understand and will assist with personal budgeting.
 - Other additional incomes, including Universal Credit, disability incomes, child benefit, will be completely disregarded.
 - The proposed scheme will significantly reduce the need for customers to contact the Council.
 - Increased administration costs in reassessing entitlement due to small changes in income that produce marginal changes in Council Tax Reduction.
- 3.5 The consultation also asked for views on the introduction of a fixed contribution from non-dependants for Universal Credit claimant households and views on the scope and period of transitional protection for Universal Credit claimants moving from the current scheme to the new proposed scheme. Results of the consultation are attached at Appendix B.
- 3.6 Alternatives to the proposed scheme have been considered, including continuation of the existing scheme, but these alternatives would mean the Council would have to look to increase funding for administration of the scheme, as national grants for this administration are reducing. To do nothing was not supported by the consultation.

4. Consultation responses

- 4.1 71% agreed that the Council should have a different set of rules to decide Council Tax Reduction of people on Universal Credit. 10% disagreed.
- 4.2 10% of the responses were from people currently on Universal Credit.

- 4.3 43% of responders indicated they were in a household identified as vulnerable with the most widespread being a disabled household.
- 4.4 62% of responders were Cambridge residents.
- 4.5 32% of respondents felt the bands proposed were about right, 5% thought they should be higher but 41% thought they should be lower.
- 4.6 52% of respondents indicated that they were in favour of fixed contribution amounts for non-dependants with 14% disagreeing, although no alternatives were suggested. Deduction for some vulnerable households or individuals will be excluded. It is appreciated that it may be difficult for some householders to get the non-dependant to contribute, but this is an existing issue and individual cases will be looked at.
- 4.7 Over 90% believed that where support dropped by more than £5 under the proposed rules, that there should be some sort of transitional protection. One comment suggest that protection should be up to a year but not necessarily at 100%.

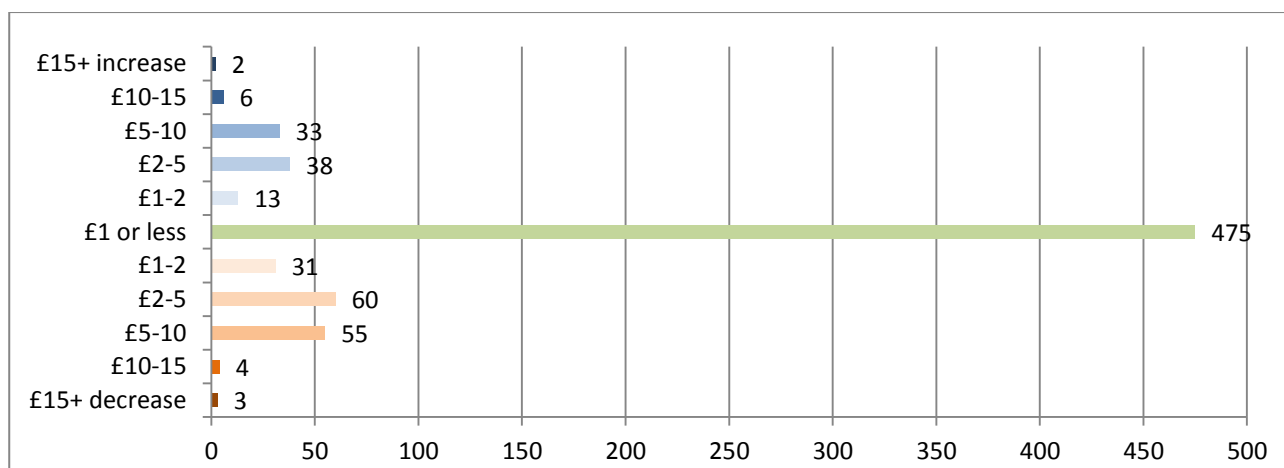
5. Recommendations following consultation

- 5.1 Taking onboard comments from the consultation and following further modelling of the scheme, the income bands and the amount to pay have changed to recognise common income levels (including national minimum wage) and earning patterns including part-time, full-time and fluctuating contracts. These amendments to the bands produced the least numbers of changes in awards.

Not in work or earning less than £316 per month	Claimant pays towards Council Tax - £0 per month
Earning between £316 and £519.99 per month	Claimant pays towards Council Tax - £25 per month
Earning between £520 and £769.99 per month	Claimant pays towards Council Tax - £50 per month
Earning between £770 and £997.99 per month	Claimant pays towards Council Tax - £75 per month
Earning between £998 and £1180.99 per month	Claimant pays towards Council Tax – up to £125 per month
Earning between £1181 and £2749.99 per month	Claimant pays towards Council Tax – up to £175 per month
Earning over £2750 per month	No CTR - Claimant pays Council Tax in full

- 5.2 The current working age caseload is 4,150 and it is anticipated that all customers will have moved onto Universal Credit by 2023. The graph below shows the financial impact of applying the proposed scheme to

the 720 Universal Credit claimants receiving Council Tax Reduction as at August 2019.



5.3 Following feedback from the consultation, most agreed that transitional protection should apply where support drops by more than £5 per week. It was also suggested that the length of transitional protection should be increased; therefore this has been changed from 3 to 6 months, and enhanced for the groups below, from 6 to 12 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

5.4 It is proposed that the earnings bands and levels of contributions due should be increased each year by CPI as at the previous September.

6. Non Universal Credit Households

6.1 Working age households not in receipt of Universal Credit will continue to have Council Tax Reduction calculated under the current scheme, as this continues to work well with Housing Benefit.

6.2 Applicable amounts and premiums will continue to reference those amounts used in Housing Benefit and deductions for non-dependants will increase by CPI as at September each year.

7. All Households

- 7.1 Vulnerable households, defined in the current Council Tax Reduction scheme, will continue to receive protection from reductions in the future.
- 7.2 The prescribed requirements regulations are updated yearly to take account of changes to the Department for Work and Pensions' (DWP) Housing Benefit Regulations and wider policy measures. However, aside from including the amended prescribed requirements each year, there is no statutory obligation for a billing authority to revise or replace its local Council Tax Reduction scheme, but there is an obligation to consider this.
- 7.3 It is recommended that this annual consideration be delegated to Head of Revenues and Benefits, and that the Schemes continue until March 2023 (with annual uprating changes) unless the consideration identifies a need to revise or replace at an earlier date. In that instance, the matter will be brought to Strategy and Resources with recommendations to Council. In any event, Schemes will be brought to Strategy and Resources for April 2023 for review. This recognises the end of the roll out of Universal Credit, which is currently anticipated to be during 2023.

8. Implications

- 8.1 This simplified scheme will be easier for customers to understand and will assist with personal budgeting.
- 8.2 Making no change to the existing scheme for Universal Credit claimants would lead to confusion when claiming Council Tax Reduction.
- 8.3 Customer and partner earnings figures are provided electronically via the DWP from the Universal Credit claims process and would allow automation of the claims process, thereby reducing administration costs.
- 8.4 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, causing significant confusion for customers and unavoidable customer contact.
- 8.5 An income banded scheme would mean that for the vast majority of changes in customers' earned income would not result in a change to

their Council Tax Reduction and would be more transparent for customers.

- 8.6 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 adopted.

a) Financial Implications

Current estimated expenditure of Council Tax Reduction for 2019-2020 is £6.667m, with £4.5m of this being for working-age claimants.

The aspiration of the new scheme is to keep total value of awards within the above figures, subject to any annual increase in Council Tax. Modelling suggests that with the introduction of the banded scheme for Universal Credit claimants and retaining the current scheme for non-Universal Credit claimants will cost an estimated £6.698m (including transitional protection).

Early modeling also suggests that if all working age households had their Council Tax Reduction assessed under the new earnings bandings, expenditure would be an estimated £6,658m.

Council Tax Reduction caseload is reducing slightly by approximately 100 per year across working age and pensioner households.

Failure to adopt a streamlined scheme will increase administration costs due to the increase in work associated with calculating Universal Credit claims under the current scheme, whilst overall central government funding (from Department for Work and Pensions and Ministry of Housing, Communities and Local Government) is expected to reduce.

b) Staffing Implications

As the implications of this new scheme unfolds, a fundamental service review will be required.

This is not likely to be until 2021/2022, when sufficient working age claimants have migrated onto Universal Credit and the timetable for managed migration of remaining caseload to Universal Credit is known.

c) Equality and Poverty Implications

An Equality Impact Assessment is attached at Appendix C.

d) Environmental Implications

Nil.

e) Procurement Implications

None.

f) Community Safety Implications

None.

9. Consultation and communication considerations

Consultation has been carried out, see Appendix A.

Groups consulted were:

- All working age Council Tax Reduction claimants.
- Citizens Advice
- Council Tax Preceptors – Cambridgeshire County Council, Cambridgeshire Fire and Rescue and Cambridgeshire Police.
- Third Sector organisations including social landlords.

Additionally, press release, Twitter updates, notices on inbound telephone and outgoing emails from Revenues and Benefits, publicised the consultation.

10. Background papers

Background papers used in the preparation of this report: None

11. Appendices

Appendix A - Consultation proposals

Appendix B - Consultation responses
Appendix C – Equality Impact Assessment

Inspection of papers

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.

This page is intentionally left blank

Proposed changes to Council Tax Reduction scheme

Consultation open from 5pm on 5 July to 11.59pm on 8 September 2019.

Introduction and background

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.

Consultation information

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 **1 April 2020** and only applies 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 from month to month, giving them stability in understanding their outgoings each month.

Claimants on Universal Credit who are not working, will receive a full discount apart from contributions that will be expected to be made by 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

Currently there are approximately 4000 working age households claiming Council Tax Reduction, 1200 are working, some 200 of these are already on Universal Credit. As Universal Credit continues to be rolled out, more households will eligible for the proposed new scheme.

Non-Dependants

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

The suggestion is a weekly contribution of £6.50 per week per non-dependant towards the cost of the services that 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 towards the services that are provided. It also streamlines administration by making claims quicker to process because additional information will not need to be requested.

Non-dependant contributions will not 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 the calculation of the award to be 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, increasing work incentives.

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.

Transitional Protection

If this income band scheme is introduced some people may receive less than they would under the current scheme rules.

From 1 April 2020 where their entitlement under the new banded scheme is more than £5 per week less than it would have been under the old rules, 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 transitional protection will be up to 6 months.

- Care Leavers under 25
- Families with dependent children under 5
- Households where claimant, partner or dependent 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

The proposed scheme is not designed to reduce or increase the total amount of Council Tax Reduction 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 under the current rules.

How to Comment

We would really like to have your thoughts on our scheme:

[Give your views in our online survey](#)

If you would prefer to respond in writing, please pick up a copy at our Customer Service Centre, Mandela House, 4 Regent Street, Cambridge, CB2 1BY.

It would help the City Council ensure that consultations are effective if you could also complete the Equalities Monitoring form below (please note this does not need to be submitted with your consultation comments):

- [Complete our Equalities Monitoring form \[DOCX, \]](#)

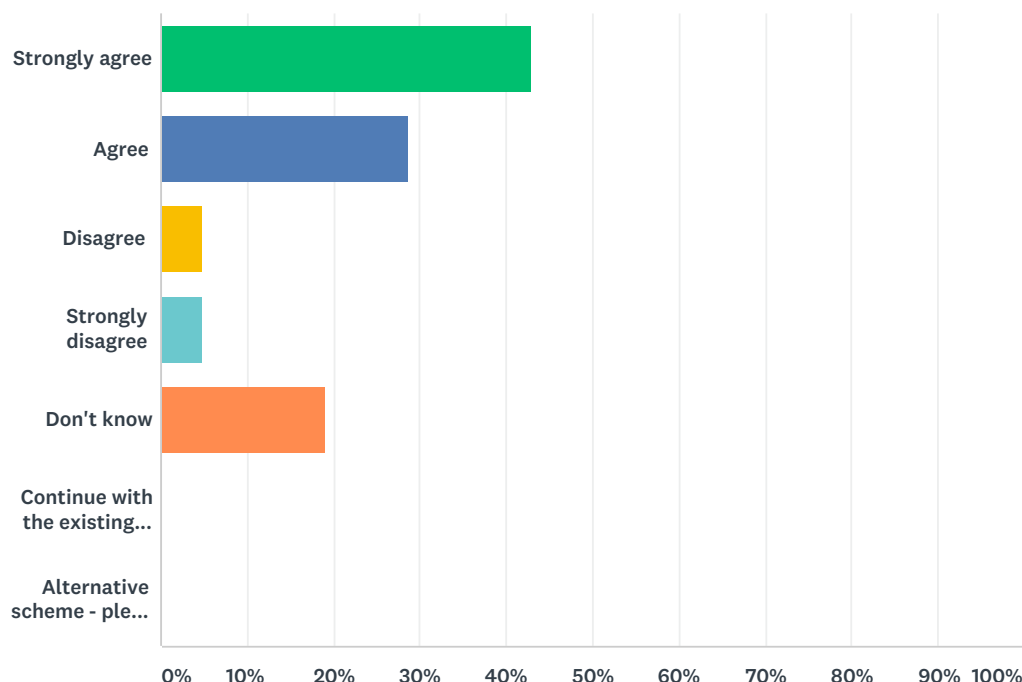
If you have any questions about this consultation, please email rbsystem@cambridge.gov.uk or ring 01223 457752.

Next steps

This consultation ends on 8 September 2019 and the results will form part of a report to Strategy and Resources Committee on 7 October 2019.

Q1 The current scheme will not work effectively with the Government's Universal Credit system. The multiple changes in Universal Credit inevitably lead to multiple changes in Council Tax Reduction and this means customers could receive revised bills on a monthly basis leading to confusion about what they should pay, making it difficult to budget. Do you think the Council should replace the existing scheme because of these issues?

Answered: 21 Skipped: 2



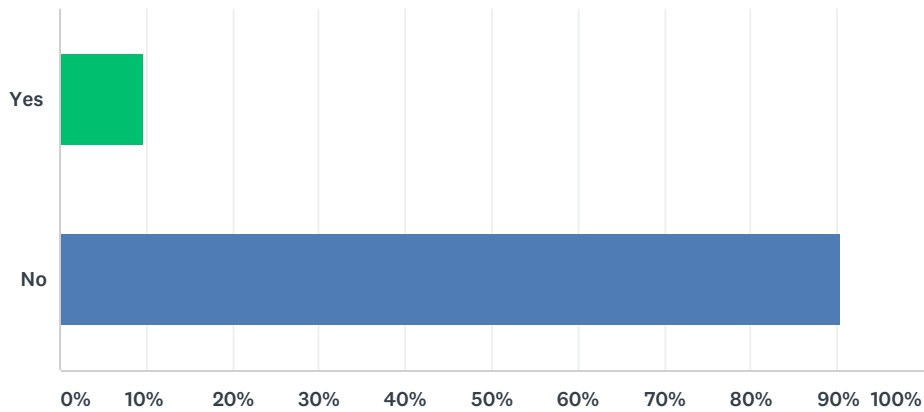
ANSWER CHOICES	RESPONSES	
Strongly agree	42.86%	9
Agree	28.57%	6
Disagree	4.76%	1
Strongly disagree	4.76%	1
Don't know	19.05%	4
Continue with the existing scheme	0.00%	0
Alternative scheme - please explain below	0.00%	0
TOTAL		21

#	WHY DO YOU THINK THIS?	DATE
1	Welcome the proposal to streamline the process	8/20/2019 10:59 AM

2	The proposals unfairly punish private tenants who are already having to pay a premium to rent accomodation, because they do not qualify for low-cost housing and council houses. The scheme suggests that council tenants have the same costs and the same disposable income as private tenants. Very few council tenants have to pay very much of their income to top up their rent. Because I have to rent privately (I've chose not to have a family and, fortunately I am in good health), the amount of housing benefit paid to me does not cover the rent. My monthly rent is £1100. I recieve £748.08 in benefits, leaving me with a shortfall of £351.92 a month. So, every month, the first £351.92 I earn goes to paying the rent. The next £19 a month I earn goes to paying the water bill. The next £38 goes to the gas and electricity. Then I pay my phonebills and internet and then I buy some food. You proposal that should additionally pay £25 a month before buying food is unfair. And unaffordable. It would be fairer if the cost of the housing and the standard living costs were met before Council Tax was then charged. And it should only be charged at a rate comparable to the rate paid by the rest of the Cambridge community. It is afterall a community charge. The fairest way would be to work out what the average income was for Cambridge (where I presume the average wage is higher because the rents are higher). Work out what the proportion of that income is paid in Cambridge on council tax, and use that as the base line. i.e. if the average working person in Cambridge was paying 8 percent of their income on Council tax, the maximum anyone on benefits should be paying would be 8 percent of their income after they had paid their rent and bills.	8/11/2019 7:57 PM
3	To reduce the risk of confusion	8/2/2019 12:33 PM
4	simplicity for me and for the council.	7/21/2019 5:17 PM
5	Mental Illness can be a big problem for me for months on end. My Housing Benefit is paid automatically for me now. If I get put on Universal Credit, I will have to receive Housing Benefit and then have the responsibility to pay the rent. There are going to be times when Mental Illness prevents me from doing this reliably. So, I do not want to be put on Universal Credit, because it could lead to me not paying my rent when mentally ill and thus getting in trouble with the Council, which is my landlord.	7/18/2019 12:19 PM
6	You do not fully explain how the system works at present to be able to judge.	7/17/2019 5:41 PM
7	Be good not to have a fluctuation in what we have to pay each month.	7/16/2019 5:41 PM
8	So people know the cost & keep the cost down for the LA's.	7/12/2019 7:01 PM
9	If people receive changing amounts each month this makes budgetting for them impossible if they are paying a portion	7/12/2019 2:23 PM
10	HB is getting outdated and quickly becoming a legacy benefit; the CTR needs to move with the new benefit s provided.	7/12/2019 2:19 PM

Q2 Are you currently claiming Universal Credit and working?

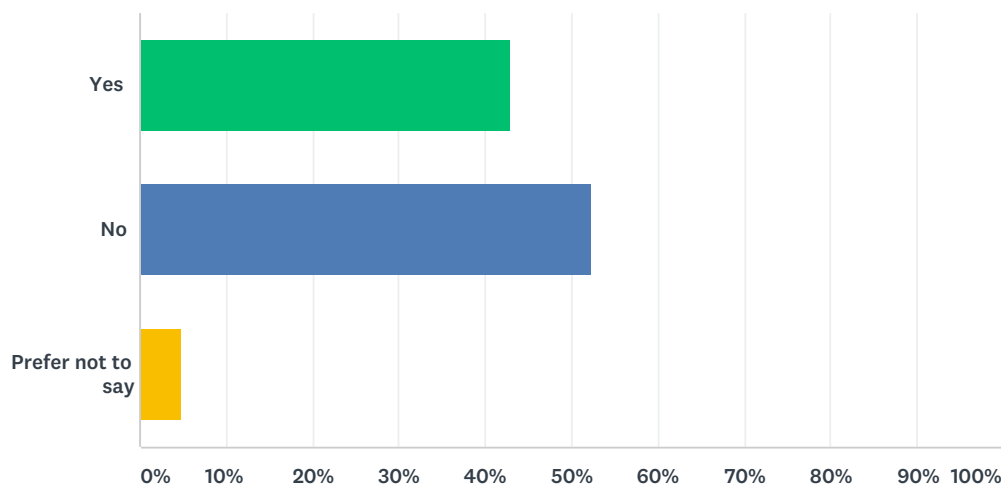
Answered: 21 Skipped: 2



ANSWER CHOICES		RESPONSES	
Yes		9.52%	2
No		90.48%	19
TOTAL			21

Q3 Would you describe your household as being in one of the vulnerable groups below? Care Leaver Under 25; family with children under 5; households where a person is disabled; have war pension or armed forces payment incomes.

Answered: 21 Skipped: 2

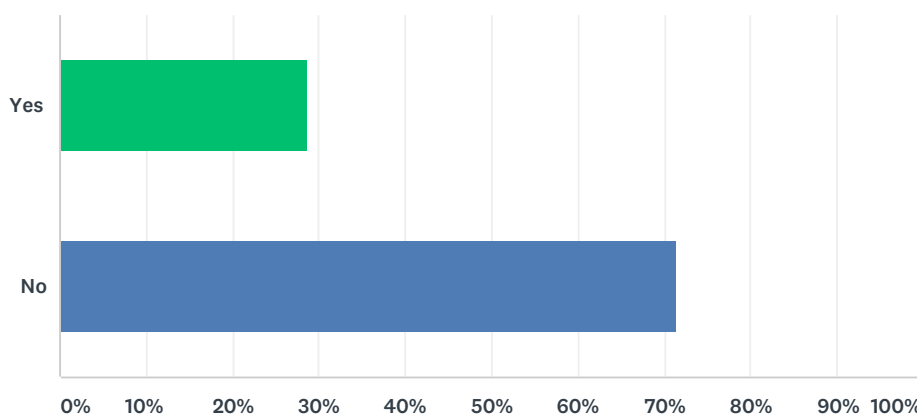


ANSWER CHOICES	RESPONSES
Yes	42.86% 9
No	52.38% 11
Prefer not to say	4.76% 1
TOTAL	21

#	IF YOU HAVE SAID YES, WOULD YOU LIKE TO SAY WHICH GROUP YOU MAY BE IN? IT MAY BE THAT YOU ARE IN MORE THAN ONE.	DATE
1	I am not in one of the above but I have permanent back and neck pain and I also live alone so I have no one to support me to help with bills etc. I suggest therefore that I am in a vulnerable group	8/20/2019 12:35 PM
2	Disabled	7/24/2019 1:13 PM
3	Family with children under5	7/22/2019 11:37 AM
4	Disabled Bipolar Affective Disorder. Disabled Mobility Issues connected to Still's Disease.	7/18/2019 12:19 PM
5	Disability	7/17/2019 5:41 PM
6	Person is disabled.	7/16/2019 5:41 PM
7	Disabled person.	7/12/2019 7:01 PM

Q4 Do you work for an organisation that helps to support people claiming Universal Credit in Cambridge City?

Answered: 21 Skipped: 2

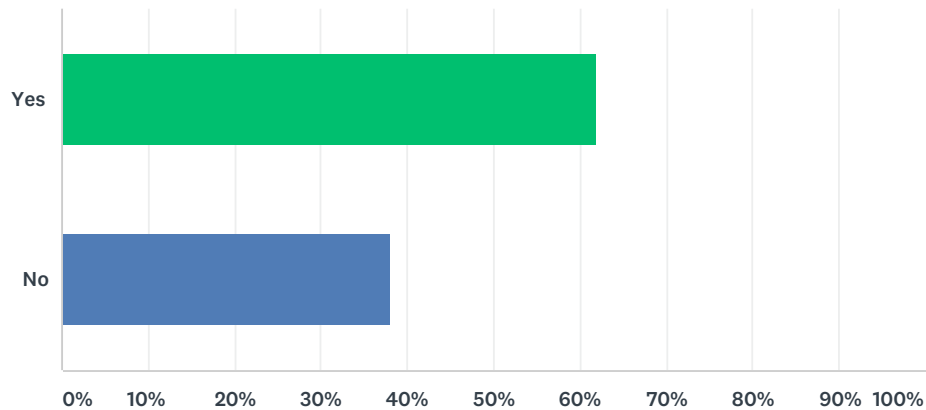


ANSWER CHOICES	RESPONSES
Yes	28.57% 6
No	71.43% 15
TOTAL	21

#	IF "YES" PLEASE TELL US THE NAME OF THE ORGANISATION YOU WORK FOR:	DATE
1	Cambridge CAB	8/20/2019 10:59 AM
2	Cambridge Money Advice Centre	7/12/2019 2:23 PM
3	bpha	7/12/2019 2:19 PM
4	Cambridge Housing Society Group	7/11/2019 1:13 PM

Q5 Are you a resident in Cambridge City?

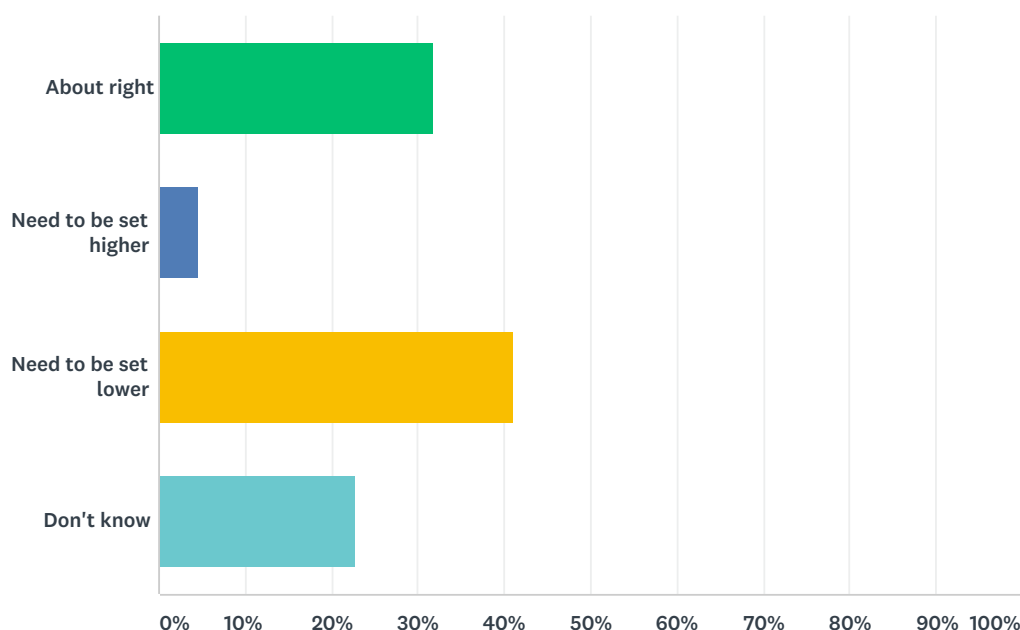
Answered: 21 Skipped: 2



ANSWER CHOICES		RESPONSES	
Yes		61.90%	13
No		38.10%	8
TOTAL			21

Q6 Do you feel that the proposed payment bands are:

Answered: 22 Skipped: 1



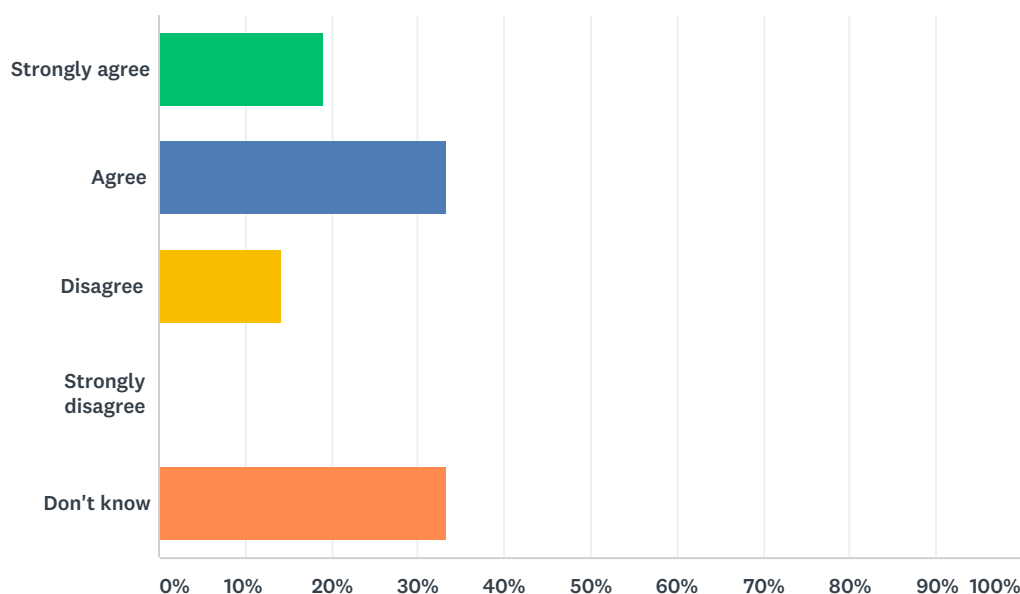
ANSWER CHOICES	RESPONSES
About right	31.82% 7
Need to be set higher	4.55% 1
Need to be set lower	40.91% 9
Don't know	22.73% 5
TOTAL	22

#	WHY DO YOU THINK THIS? DO YOU HAVE ANY SUGGESTIONS FOR DIFFERENT AMOUNTS?	DATE
1	The differences in suggested payments more than double in the lower income bands and the income bands are too broad. My current earnings would put me in the band £575-£1099.99 at the lower end but I would be expected to pay three times as much as someone earning a few pounds less than I would. The bands need to be narrowed and the payments adjusted accordingly.	9/7/2019 10:16 AM
2	There is a huge leap between the bands and, in the case of the lower bands, if the benefit received is the only income for that particular household that will make the difference between being able to afford food / heating or not. In my case, as said, I live alone and my benefits are my only income - I already live in dread of the washing-machine or some other item breaking. The money I receive every fortnight (am in ESA Support Group) I am most grateful for and I can manage provided no maintenance is needed on my flat. I receive just under £600 per month (£100 goes straight away on service charges at my flat) so would be put in the third band and would therefore lose 12.5%. To lose £75 per month would make a massive difference and I would seriously struggle. Please don't do this.	8/20/2019 12:35 PM
3	However we notice that the % differences between bands is not even. Is £575 in band 2 too low? 11.5% would be £650	8/20/2019 10:59 AM
4	I feel the jump in the third scale is too high (earning 575- 1099.99 per month) and expected to pay £75.00 per month. It's suddenly jumped by a further £50. I feel it should be £50 and not £75. My thoughts behind this are such a jump would affect those who have a single, part-time, income coming in. If I'm earning £700.00 per month, that would mean I wouldn't get any UC and would then be penalised to pay £75.00 council tax on top of a low income. Giving how expensive accomodation is in Cambridge, the cost of living, ect, I feel this leap in council tax payment is too high.	8/12/2019 11:19 PM

5	It is unfair to make someone earning only £71 a week to pay £25 a month council tax. People should not have to pay any taxes until they have paid their housing costs and water/energy/food bills.	8/11/2019 7:57 PM
6	The reductions appear to be very generous, that is, Council Tax contributions seem low. Many people in work, but not on Universal Credit take home less than the top two bands	8/6/2019 3:20 PM
7	The band gaps are too big i.e. I earn just £10 more than an entrance level but have to pay an additional £50 council tax because of this, which I feel is totally unfair.	7/21/2019 5:17 PM
8	I cannot claim to be entirely cognisant of the objective merits of the proposed payment bands.	7/18/2019 12:19 PM
9	The 2nd band for people earning up to 550 per month should be lower or preferably £0. This will affect a lot of disabled people who may not be able to work full time.	7/17/2019 5:41 PM
10	I think the lower bands are asking for too much & wonder if it would be better with more with less of an increase in payment.	7/12/2019 7:01 PM
11	Although I work with clients I do not feel I can offer an opinion on the banding	7/12/2019 2:23 PM

Q7 Do you agree that adult non-dependants living in the same household should contribute towards Council Tax?

Answered: 21 Skipped: 2

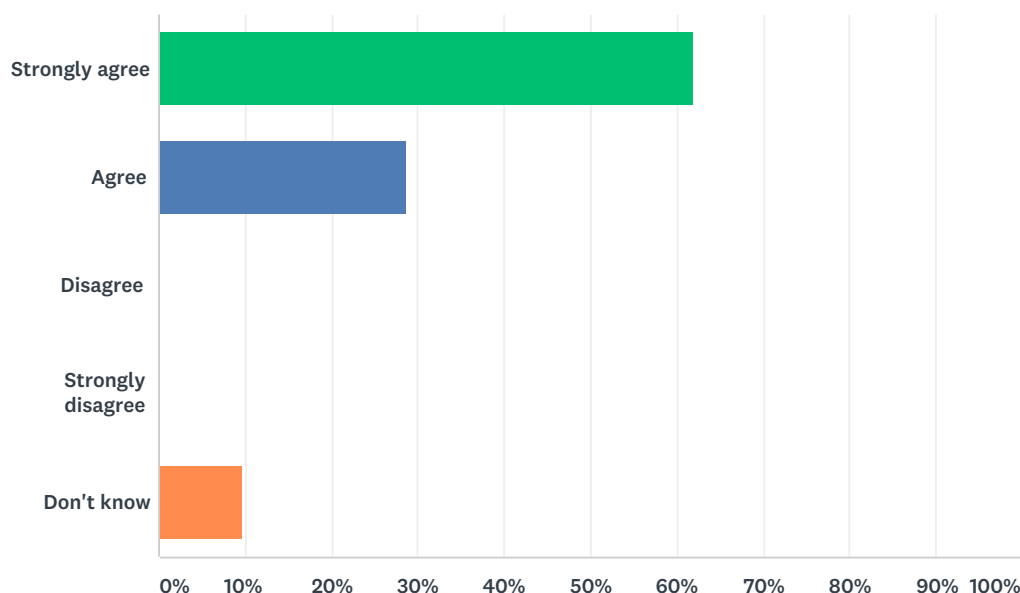


ANSWER CHOICES	RESPONSES	
Strongly agree	19.05%	4
Agree	33.33%	7
Disagree	14.29%	3
Strongly disagree	0.00%	0
Don't know	33.33%	7
TOTAL		21

#	WHY DO YOU THINK THIS AND HOW MUCH DO YOU THINK THEY SHOULD CONTRIBUTE?	DATE
1	I believe there should be a fixed rate for the property but that single occupancies should received a reduced rate.	9/7/2019 10:16 AM
2	However £6.50 = £28.16 pcm per person which may be a little steep	8/20/2019 10:59 AM
3	Except that how does the council confirm how many people live in a house? At least £10 per week, considering that an adult couple, in an average house, would be paying £200 pcm council tax, which equates to £25 per person, per week	8/6/2019 3:20 PM
4	It does seem reasonable.	7/18/2019 12:19 PM
5	This depends on the individual. If the individual is healthy and employed I don't see this a an issue. If they are disabled or are a carer this could penalise them further.	7/17/2019 5:41 PM
6	If they have an income they should contribute, but I know this can be difficult to enforce & cause friction so think it should be less (£10/month).	7/12/2019 7:01 PM
7	However I am aware this can lead to problems within a household.	7/12/2019 2:23 PM
8	But the problem would be actually getting them to contribute!	7/11/2019 1:13 PM

Q8 Do you agree that there should be some transitional protection for people who may receive less under the new scheme than they would have got under the existing scheme rules?

Answered: 21 Skipped: 2



ANSWER CHOICES	RESPONSES	
Strongly agree	61.90%	13
Agree	28.57%	6
Disagree	0.00%	0
Strongly disagree	0.00%	0
Don't know	9.52%	2
TOTAL		21

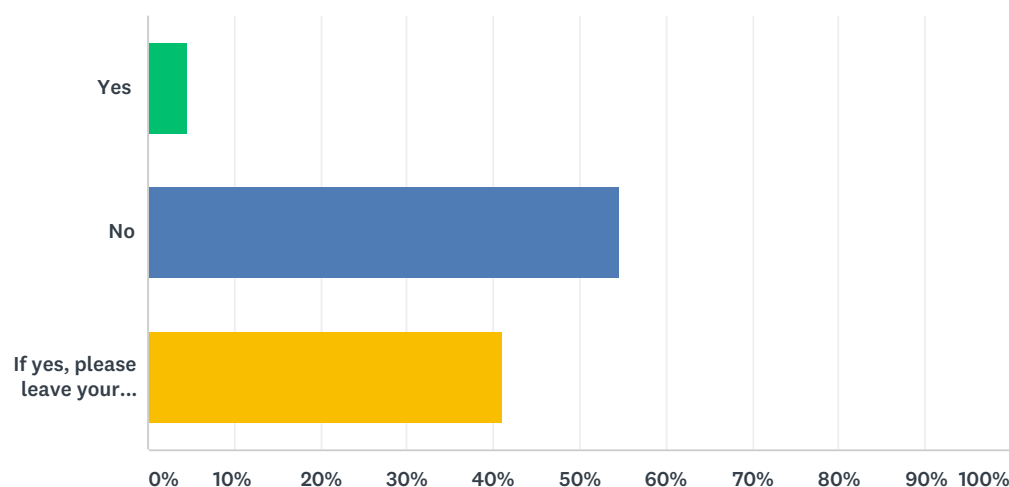
#	IF YOU AGREE, PLEASE SAY WHY AND HOW YOU THINK THIS PROTECTION SHOULD WORK.	DATE
1	Yes, let's not make peoples lives financially harder than they already are.	9/7/2019 10:16 AM
2	Vulnerable people need protection	8/20/2019 12:35 PM
3	I feel that tranisition should be longer, people who are carers are hardly likely to see there circumstances change too much or very often.	8/12/2019 11:19 PM
4	I currently recieve working tax credits, which enables me to plan the whole year. I'm a publisher. I have to spend money (on print costs, illustration costs and promotional costs) before I get any income. The income is not equal each month and it does not come in until months after I have paid for costs. This system will completely collapse under universal income, where I'll be penalised for earning money in one month that I had to pay to earn many months earlier	8/11/2019 7:57 PM
5	It seems reasonable, but I'm not sure how it should work.	7/18/2019 12:19 PM
6	At least a year to assimilate these changes. Disabled people may also not be able to do more hours or find the deficit.	7/17/2019 5:41 PM
7	People might need time to adjust if they have to pay more each month.	7/16/2019 5:41 PM
8	I do think those who receive less will struggle & actually feel it is unfair. Is there not a way around it? If not it should be 6 months full protection, then 6 months at half the difference protection.	7/12/2019 7:01 PM

9	Changes can be very difficult for these people
---	--

7/12/2019 2:23 PM

Q9 Do you have any comments you would like to add?

Answered: 22 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	4.55%	1
No	54.55%	12
If yes, please leave your comments below.	40.91%	9
TOTAL		22

#	IF YES, PLEASE LEAVE YOUR COMMENTS BELOW.	DATE
1	Emailed in responses: 1 The National Minimum Wage is completely out of date and has been for years and seriously needs attention - that is an increase in funding for living expenses. This increase in funding for living expenses also applies to unemployed people like me who are effectively being punished by the government in Westminster for being out of work through no fault of their own. There should be a higher living allowance for people who live in the Southern areas of UK where cost of living is greater. The national average salary paid monthly in UK is about £25,000 a year gross (according to government statistics) while the national minimum wage is converted and is equivalent to less than £18,000 a year gross. (which I was earning most of the time at County Council) . That is a difference of £7,000 a year in earnings. What is going on here? Please explain as I feel justified in getting a council tax rebate or refund from 2005-2016 or even 50% of this will do. I think it would be a better idea if all local authority employees received a further council tax reduction or discount to be fair - all staff at City Council, County Council and District Councils. The pay is so low compared with the amount of work done that this would be a welcome bonus on top of low salaries. Is there any chance of this happening? If not why not? If so, when? 2 The term "vulnerable groups" includes families with dependent children and households where someone is disabled. For the purposes of CTR the term "disabled" refers to people in wheelchairs, homes that have been adapted for disability and cases of severe mental impairment. I would like to propose adding "severely sight impaired (blind)" to this definition of "disabled" so that Cambridge residents living with sight loss can benefit from the same protection as other vulnerable groups with a disability. Thank you in advance for considering this proposal.	9/16/2019 9:24 AM
2	Some of us are single, no dependents, not in receipt of benefits other than housing benefit and council tax reduction and having to manage financially. Personally, I work as it gives me a sense of independence and worth but sometimes it seems not working and claiming benefits would leave me in a very similar financial situation to where I am but I would get other things free such as dental health and prescriptions. This is not encouraging people to want to work!	9/7/2019 10:16 AM
3	Please consider the plight of those who are unable to work owing to illness. My benefits are contribution-based ESA and I now live with a lot of pain. The worry occasioned by changes / cuts to benefits are sickening. What you are proposing would see me lose 12.5% in one go and would make a huge difference to my life and mental wellbeing.	8/20/2019 12:35 PM

4	It would be good to have clarity over who would be delivering budgeting support - would that be us under the project based at the Job Centre? In general we welcome the proposal.	8/20/2019 10:59 AM
5	I would agree the current council tax system can be confusing, sometimes I receive, in the past, more than one calculation in a month, which can lead me to asking which is it I have to pay. The calculation method should also be clearer both in concept and also on the bills you provide. I would also suggest, as I am signed up to online letters through the council website, that the council make up their mind which they are going to send once someone is signed up to this, currently I receive my bills in paper form and council tax reduction summary letters online. The online letters can be very confusing in their format and the information they provide, but not just this, where to log in to download them can also be a bit of a maze, certainly the link one receives, via email, often takes you to a page which you then have to navigate from to the correct page to login. I would also add that, as has been recognised, that Cambridge has the biggest divide between rich and poor and those people who claim CTR out of necessity, to make ends meet, could easily face going into debt because of increases in council tax, especially those on part-time incomes and who are self-employed. Not everyone receives the same income every month, especially in these days, where work contracts are so different and less favourable to the employee. I feel if you are making changes to this system in light of UC, then you should also make a change to the council tax demand and fine system, there are plenty of people out there who can't pay through no fault of their own and because of how UC payments are made in arrears.	8/12/2019 11:19 PM
6	People on benefits should get the same amount of money going into Universal Credit from their previous benefits.	8/2/2019 12:33 PM
7	Just that there should be more earnings bands and smaller jumps in the council tax increments.	7/21/2019 5:17 PM
8	Any document must make it clear how disability affects the payments that people will make and that all documents have 'Easyread' versions to help people with literacy issues and learning difficulties	7/19/2019 1:39 PM
9	As mentioned above, I am worried about getting into difficulties if I'm put on Universal Credit. There would be times when my Bipolar Psychosis prevented me from attending to the payment of my rent. The Council wouldn't like that, obviously, and I would get into trouble. Right now my Housing Benefit is paid automatically.	7/18/2019 12:19 PM

This page is intentionally left blank



Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at equalities@cambridge.gov.uk or phone 01223 457046. Once you have drafted the EqIA please send this to equalities@cambridge.gov.uk for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, (graham.saint@cambridge.gov.uk or 01223 457044).

1. Title of strategy, policy, plan, project, contract or major change to your service:
Council Tax Reduction (CTR) Local Scheme
2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)
3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?
<p>Council Tax Benefit, a central government benefit, ended 31 March 2013 and Local Authorities had to define a scheme to support working age households pay their Council Tax. For pensioners, this support remains defined by central government.</p> <p>The current local Council Tax Reduction scheme has been in place since April 2013 and has worked extremely well alongside Housing Benefit.</p> <p>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.</p> <p>This EqIA relates to a review of our Council Tax Reduction Scheme to seek to deliver three primary objectives:</p> <ul style="list-style-type: none"> • Move towards a scheme that is more adaptable to Universal Credit regulations. • Provide clarity to Universal Credit claimants as to what their entitlement to Council Tax Reduction will be. • Mitigate against expected reduction in Government administration grants for processing Council Tax Reduction claims.
4. Responsible Service
Revenues and Benefits

<p>5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)</p> <p><input checked="" type="checkbox"/> Residents of Cambridge City</p> <p><input type="checkbox"/> Visitors to Cambridge City</p> <p><input type="checkbox"/> Staff</p> <p>Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):</p> <p>Local Council Tax Reduction only applies to working age households who are on a low income.</p> <p>Universal Credit (UC) replaces 6 legacy benefits for working age claimants (under 67 currently) only and replaces housing benefit; CTR significantly supports this age group.</p>
<p>6. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)</p> <p><input type="checkbox"/> New</p> <p><input type="checkbox"/> Major change</p> <p><input checked="" type="checkbox"/> Minor change</p>
<p>7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes (Please provide details):</p>
<p>8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?</p> <p>Strategy and Resources 1 July 2019. This policy will now be going to the Strategy and Resources Committee on 7 October 2019.</p>

9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?

Extensive modelling has taken place to look at the impact of the introduction of Universal Credit (UC) from October 2018 on households. It was evident that the monthly changes automatically reported by Department for Work and Pensions (DWP) will cause uncertainty for claimants in the amount they have to pay towards their Council Tax.

Any small change will currently result in a reassessment of Council Tax Reduction (CTR), causing a new bill to be issued.

A consultation was carried out from 5 July 2019 to 8 September 2019, setting out a proposal for CTR for UC households to be assessed based on earnings bands so some changes in earnings will not cause entitlement to be recalculated.

76% of those surveyed believed the existing scheme need to be changed for UC claimants and believed that a banded scheme based on earnings was appropriate.

10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

(a) Age

Note that this refers to any group of people of a particular age (e.g. 32 year-olds) , or within a particular age range (e.g. 16-24 year-olds) – in particular, please consider any safeguarding issues for children and adults at risk

Local Council Tax only applies to working age households and is currently based on a household needs analysis (applicable amounts and premiums, some of which are based on age) compared to household income and capital.

Universal Credit (UC) replaces 6 legacy benefits, including housing benefit, for working age claimants (under 67 currently) only. Pensioner only households are not impacted

Young persons aged under 25, who have been looked after by a Local Authority (Care Leavers) will be classed as vulnerable and will be protected by inclusion in the vulnerable group, as will families with dependent children under age 5. This protection means that entitlement to CTR will be based on 100% of Council Tax liability should this reduce and if they transition to UC and fall under the new UC CTR scheme, and see a reduction in entitlement from April 2020, will have up to 12 months transitional protection.

(b) Disability

Note that a person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Of the consultation responses, 47% indicated they were in a household identified as vulnerable with the most widespread being a disabled household. UK statistics indicate that disabled adults in working-age families are much more likely to be in poverty than those who are not disabled – 39% compared with 18%. This is because disabled people are less likely to be in work or more likely to be in low-paid employment.

Additional expenses relating to disability are recognised by the addition of disability premiums and disregarding some disability benefits when calculating CTR and UC.

Signposting and support to claim other reductions of Council tax liability are also done when CTR is applied for. One reduction can be if specified adaptations have been made to assist a disabled person live in their home and the other is where a charge payer is suffering from a Severe Mental Impairment. Moreover, transitional protection will apply where support drops by more than £5 per week and this is enhanced from 6 months to 12 months for households where the claimant, their partner or their dependent children have disability benefits

(c) Gender reassignment

No impacts identified specific to this equality group.

(d) Marriage and civil partnership

No impacts identified specific to this equality group.

(e) Pregnancy and maternity

Pregnancy and maternity are a financially difficult time and although generally additional personal allowances in CTR and UC are not given during pregnancy they may be if the mother is unable to work during pregnancy.

Over the last five years, poverty rates for children in lone-parent families have risen by around twice as much as those for children in couple families, information around budgeting support is widely available and referrals can easily be made for this and to organisations who can provide additional funding at this time.

Moreover, transitional protection **will** apply where support drops by more than £5 per week **and this is enhanced from 6 months to 12 months for families with dependent children aged under 5.**

(f) Race

Note that the protected characteristic ‘race’ refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

UK statistics find that Bangladeshi and Pakistani families have experienced much greater rates of poverty than all other ethnic groups and this has been the case for 20 years. Poverty rates are higher among all ethnic minority groups compared with those among the majority White British, therefore it could be that there are proportionally higher numbers of claims from some ethnic minority groups than others when compared to the proportion in population.

The calculation of entitlement to CTR does not make reference to race and is not impacted by it.

(g) Religion or belief

No direct impacts identified specific to this equality group, however some families may be larger than others due to their beliefs.

(h) Sex

There are more women in receipt of benefits as single parents than male single parents, 1270 female single parent households compared to 53 male single parent households of the current Council Tax Reduction benefit cohort.

(i) Sexual orientation

No impacts identified specific to this equality group.

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty

Effectively running two Council Tax Reduction (CTR) schemes side by side may seem confusing but each works well with other Welfare Benefits, current CTR works well with Housing Benefit as the incomes and needs are assessed the same. The new CTR scheme for households on UC will remove the introduced complexities or marginal fluctuations in earnings impacting UC and in turn CTR.

It important that families on a low income who are often less able to budget are clear about the support they will receive.

Moreover, transitional protection **will** apply where support drops by more than £5 per week **and this is enhanced from 6 months to 12 months for** households where the claimant or their partner have war pensions or Armed Forces Independent Payment incomes.

11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)

This Eqia will be reviewed in 3 years allowing for changes in the scheme and caseload demographics to be fully realised.

12. Do you have any additional comments?**13. Sign off**

APPENDIX C

Name and job title of lead officer for this equality impact assessment:

Names and job titles of other assessment team members and people consulted:

Date of EqlA sign off:

Date of next review of the equalities impact assessment: 01 October 2022

All EqlAs need to be sent to Helen Crowther, Equality and Anti-Poverty Officer. Has this been sent to Helen Crowther?

☒ Yes

☐ No

Date to be published on Cambridge City Council website:

Item

Strategy & Resources 7 October 2019 - Finance and Resources Portfolio: Medium Term Financial Strategy (MTFS)

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources Portfolio

Report by:

Caroline Ryba, Head of Finance

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

Wards affected:

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

Key Decision

1. Executive Summary

Overview of Budget-Setting Report

- 1.1 This report presents and recommends the budget strategy for the 2020/21 budget cycle and specific implications, as outlined in the MTFS October 2019 document, which is attached and to be agreed.
- 1.2 This report recommends the approval of new capital items and funding proposals for the council's capital plan, the results of which are shown in the MTFS.
- 1.3 At this stage in the 2020/21 budget process the range of assumptions on which the Budget Setting Report (BSR) published in February 2019 was based need to be reviewed in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating budgets for 2020/21 to 2024/25. All references to the recommendations to Appendices, pages and sections relate to MTFS Version 3.0.
- 1.4 The recommended budget strategy is based on the outcome of the review undertaken together with financial modelling and projections of the council's expenditure and resources in light of local policies and priorities, national policy and

economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MTFS.

2. Recommendations

The Executive Councillor is asked to recommend to council:

General Fund Revenue

- 2.1 To agree the budget strategy and timetable as outlined in Section 1 [pages 5 to 7 refer] of the MTFS document.
- 2.2 To agree the incorporation of changed assumptions and indicative net unavoidable budget pressures identified in Section 4 [pages 20 to 22 refer]. This provides an indication of the net savings requirement, by year for the next five years, and revised projections for General Fund (GF) revenue and funding as shown in Section 5 [page 23 refer] and reserves [section 7 pages 30 to 33 refer] of the MTFS document.

Capital

- 2.3 To note the changes to the capital plan as set out in Section 6 [pages 24 to 29 refer] and Appendix A [pages 37 to 41 refer] of the MTFS document and agree the new proposals.

Ref.	Description / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Proposals							-
SC646	Redevelopment of Cambridge Junction	250	-	-	-	-	-	250
SC658	CCTV infrastructure – additional cost	75	-	-	-	-	-	75
SC691	HR and payroll – new system	20	150	-	-	-	-	170
SC699	Corn Exchange fire doors	37	-	-	-	-	-	37
SC672	Mill Road redevelopment – development loan to CIP	-	1,142	-	-	-	-	1,142
SC695	Cromwell Road redevelopment – equity contribution	-	329	333	-	-	-	662
SC696	Cromwell Road redevelopment – development loan to CIP	2,376	5,481	1,000	-	-	-	8,857
SC701	Dales Brewery – replacement fire alarm system	24	-	-	-	-	-	24
	Total Proposals	2,782	7,102	1,333	-	-	-	11,217

Reserves

- 2.4 To agree changes to GF reserve levels, the prudent minimum balance being set at £5.51m and the target level at £6.61m as detailed in section 7 [pages 30 to 33 refer] and Appendix B [pages 42 and 43 refer].

3. Background

- 3.1 The purpose of this report is to outline the overall financial position of the council and to consider the prospects for the 2020/21 budget process within the context of projections over the medium term. The detailed analysis undertaken to fulfil this is presented in the MTFS October 2019 document appended to this report.
- 3.2 The document considers the GF revenue position and the council's overall capital plan.
- 3.3 Revenue forecasts are presented for the five year projection period through to the year 2024/25, demonstrating the sustainability of the council's financial planning with reference to the level of reserves held through this period.
- 3.4 The report considers the effects of external factors affecting budget preparation, including the overall economic climate and external funding levels which can reasonably be expected; as well as existing commitments to the council.
- 3.5 Recommendations for approval of specific capital costs, as identified, are included.
- 3.6 The analysis undertaken leads to a recommended integrated financial strategy for the 2020/21 detailed budget setting process.

4. Implications

- 4.1 These are incorporated within the document and will be taken account of in the subsequent budget reports.

5. Consultation and communication considerations

- 5.1 Budget consultation is outlined in the MTFS document [page 7 refers].

6. Background papers

- 6.1 Background papers used in the preparation of this report:
- MTFS working papers on the 2019/20 and 2020/21 files

7. Appendices

The following item is included in this report:

- MTFS October 2019

8. Inspection of papers

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

Authors' Names:	Caroline Ryba
Authors' Phone Numbers:	01223 - 458134
Authors' Emails:	caroline.ryba@cambridge.gov.uk

O:\accounts\Budget\2019-20\07 Budget Setting Report & Exec Amendments\03 Covering Report\2019-20
Budget Covering Report for S&R CURRENT.docx

Version 3.0
7 October 2019
FINAL

General Fund

Medium Term Financial Strategy

October
2019

2019/20 to 2024/25

Cambridge City Council

Contents

Section No.	Topic	Page No.
	Foreword by the Leader of the Council and the Executive Councillor for Finance and Resources	2
1	Introduction	5
2	Policy context, priorities and external factors	8
3	Review of key assumptions	18
4	Review of budgets and savings targets	20
5	General Fund - Expenditure and funding	23
6	Capital	24
7	Risks and reserves	30
8	Budget strategy	34

Appendices

Reference	Topic	Page No.
A	Capital Plan spend and funding	37
B	Calculation of General Fund reserve levels	42
C	Principal earmarked and specific funds	44

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

Cambridge City Council produces two main financial documents produced each year, the Budget Setting Report (BSR) and this, the Medium Term Financial Strategy (MTFS). The BSR is crucial as, when agreed by full Council, it delegates to officers' authority to run the council, providing services to the city and applying charges and fees in accordance with the budget. While not as fundamental, the MTFS fulfils an important role in drawing together a review of financial information available, assumptions and forecasts. This then provides a basis on which to prepare the budget for the year ahead.

In more normal times we would at this point have some certainty of the financial settlement to be made available to us by the government for next year, 2020/21, and the extent to which any increases in Council Tax we may propose to make, will be restricted by capping. But there is in practice considerable uncertainty, even more than in previous years. Some of this has been because various reviews and consultations on possible changes in policy are still awaiting completion. Not that there can be any certainty as to the results because the Government may not apply the findings. For instance, the so-called Fair Funding review, which appears to be heading towards applying a very unfair redistribution of funding towards the shires and away from the big cities. And of course, we have no idea who will be running the country by next February when we will debate and set our budget for 2020/21.

Austerity and Deprivation

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

National evidence suggests this has hit lower income households far more than those on higher incomes, and the gap in wealth between rich and poor has widened significantly. Unfortunately, Cambridge is known as having one of the greatest inequalities of any city in the whole country. Parts of our city include people of great wealth while nearby there are pockets of people in poverty and severe deprivation, and we are determined that those people will continue to be a core target for delivery of council services. The poorest in our city need direct assistance and support via community organisations we grant-fund and our extra housing investment. Everyone in Cambridge deserves the opportunity to share in the city's growing prosperity.

Funding by the Government

The September budget claims from the Government of extra billions for councils are not backed for us by the reality, with near nil benefit or extra funds for Cambridge City Council's residents. Although £1bn extra will be provided for social care - which is sorely needed by authorities like our county council who provide those services - the expectation is that it will be Council Tax payers who will be asked to contribute a further £500m for this work through a further Adult Care Precept of 2%. Once again, the Government is relying on regressive types of taxation, in this case Council Tax which every household has to pay, rather than progressive taxes such as income tax and corporation tax where those who earn more pay more.

Only £300m is to be made available to increase baseline funding of local authorities and Cambridge City Council does not expect to receive a penny of this as we have already had our grant cut to zero. It is possible we may get a small increase in funding for work to combat rough sleeping and homelessness, but as only £54m is to be added for this work across the entire country we do not expect to get very much.

Unfortunately, it appears that the austerity agenda is still in place despite Government claims that it is not.

Strategy

This is the context within which we will develop our financial plans. A context in which we can expect limited funding to be provided by the Government, so that developing other income streams will become even more important than it has been over the past few years.

This MTFS identifies the pressures we face in the years ahead. It will enable us to: plan funding important new services and initiatives, finding savings, and increasing income streams

invest for the support into the future of services we provide, to protect and enhance the environment of Cambridge, to help the economic development of our city, and to assist in moving it towards a net zero carbon position.

The MTFS will also be used to help draw together the Budget Setting Report for 2020/21 which will be published in January. It embraces the core financial objectives of this Council: sound and prudent financial management, the minimisation of the need for cuts to services, investment for the future, and a fairer and more equal city. A city we are so proud to serve.

Cllr Lewis Herbert - Leader of the Council

Cllr Richard Robertson – Executive Councillor for Finance and Resources

Section 1

Introduction

Background

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

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

A key part of the MTFS process is the identification of:

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

The GF MTFS incorporates a review of the current year's budget position and updated projections for five years. However, we have extended the period of the projections underlying this document to ten years (from 2020/21 to 2029/30) to provide a longer-term view to allow planning in response to increasing pressures on local government finance. The later years of the projection are not presented, primarily due to the wide range of possible outcomes and the considerable levels of uncertainty in those years. The projections demonstrate the effects of changes in assumptions made and their impact in terms of savings requirements.

The current funding climate is arguably more uncertain now than it was a year ago when the National Audit Office concluded that 'The financial uncertainty created by delayed reforms to the

local government financial system risks longer-term value for money'. A recent (May 2019) briefing note prepared by the Institute for Fiscal Studies, 'English council funding: what's happened and what's next?' ends by posing some fundamental questions about what the country needs local councils to deliver and how they should be funded. That these wider questions can be asked at all illustrates unprecedented levels uncertainty and insecurity with regard to future funding that underlies this MTFS.

We need to decide what we want from local government

This note has highlighted big choices about the level and sources of funding, and big questions about how to balance a desire for the funding system to provide incentives for growth, with a desire to ensure service standards do not vary too significantly across the country.

These are not questions, with only one right answer. Opinions can and do differ – both at Westminster and within local government. But the issues at stake are so significant that we cannot keep muddling along.

Take funding levels. Are we willing to raise the additional revenues needed to meet rising costs and demands – let alone improve service provision – over the coming decades? Or are we willing to lower our expectations of what councils can provide, in order to keep taxes down?

A proper national debate is needed on this, which has so far been lacking. Without it, we will default to a situation where the services councils provide are gradually eroded without any explicit decision being taken – until ad hoc funding is found as a response to political pressure. Such an approach would not be conducive to long-term planning by either central government or councils.

How should additional funding be raised and distributed between councils? Raising it via national taxes and then allocating according to need would likely result in service provision being more comparable across councils. And it would be administratively simpler than devolving further tax revenues and powers. But raising revenues locally and letting councils bear more of the change in local revenues would allow different councils to make different decisions on tax and spending levels and give them stronger incentives to grow local tax bases.

So are we willing to accept greater differences in services between different areas in exchange for greater local control? Or should redistribution, ring-fenced funding and common standards be a central feature of the funding system?

Again, a proper debate is needed. Without it, the risk is that we continue with reforms to the funding system that reduce the role of redistribution in order to provide stronger financial incentives for growth, while trying to regulate for common standards in the context of a funding system that is not set up to deliver them.

English council funding: what's happened and what's next? IFS Briefing Note May 2019

Context and approach

The council has carried out a budget consultation exercise annually since 2002, using a variety of quantitative and qualitative methods.

In October 2019 the council will host events for local businesses and community representatives. The Leader will set out the vision and priorities for the Council within the context of the challenges we are facing. Subsequent questions, comments and discussions will be used to inform members of the nature of the debate and the feelings of the audience, so that these considerations can be taken into account as the council's budget is developed.

There is still a statutory requirement to consult local businesses on the council's financial expenditure. The nature of this consultation is not specified in the legislation and the current Leader's briefings with business representatives satisfy this requirement. There is also a requirement to consult under Section 3 of the Local Government Act 1999 (Best Value), which relates to fulfilling the duty of providing best practice. This has generally been interpreted as a requirement to consult with local people when there is a substantial change to local services, both those affected directly and non-directly.

Timetable

Key dates and decision points are set out below.

Date	Task
2019	
7 October	Strategy & Resources Scrutiny Committee consider the GF MTFS for recommendation to Council by the Leader
17 October	Council considers both GF and HRA MTFS reports
2020	
2 January	Budget Setting Report (BSR) published
3 February	BSR and any budget amendment proposal considered by Strategy & Resources Scrutiny Committee
3 February	The Executive consider and recommend the BSR and Council Tax level to Council
13 February	Council approves Budget Setting Report and sets the level of Council Tax for 2020/21

Section 2

Policy context, priorities and external factors

Local policy context and priorities

Corporate Plan

The council's Corporate Plan was approved in February 2019 at the same time as the budget for 2019/20. It sets out the aims and objectives of the council and how these will be achieved. The Leader's Foreword to this MTFS supplements the Corporate Plan by setting a direction of travel for the council which responds to the future financial outlook.

Partnership working

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

The Greater Cambridge Partnership

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

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

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

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

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

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

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

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

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

Cambridgeshire and Peterborough Combined Authority

In November 2016, eight organisations¹ in Cambridgeshire, including Cambridge City Council, agreed a devolution deal with the government to form the Cambridgeshire and Peterborough Combined Authority (CPCA). The deal gives delegated powers to the Combined Authority and a new elected Mayor and brings funding to the region. Following elections on 5 May 2017, James Palmer

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

was elected as Mayor for the Combined Authority. Councillor Lewis Herbert represents the council on the CPCA.

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

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

The key ambitions for the CA include:

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

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

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

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

Shared services

The council shares some services with neighbouring councils. Benefits include improvements in service delivery, efficiencies and greater resilience. True savings arising from shared working will not be realised until all back office and support functions have been reduced to the same proportionate level as prior to a service being shared.

The following services are delivered in two or three way partnerships with South Cambridgeshire District Council (SCDC) and Huntingdonshire District Council (HDC):

With SCDC and HDC:

- 3C Building Control
- 3C ICT
- 3C Legal
- Home Improvement Agency

With SCDC:

- Greater Cambridge Shared Waste Service
- Greater Cambridge Shared Internal Audit
- Greater Cambridge Shared Planning
- Payroll

With HDC:

- CCTV

External factors

The European Union (EU)

There is still a considerable amount of uncertainty as to the effect of the United Kingdom (UK) leaving the EU with regard to interest rates, inflation and business investment combined with associated business rates generation and retention. The leaving date is currently expected to be 31 October 2019 but the conditions of that exit, with or without a deal, are unclear. Additionally, there is a possibility that timescales may be extended.

Inflation rates

Inflation used to drive expenditure assumptions in the GF financial planning has been based on the Bank of England and Office of Budget Responsibility (OBR) forecasts for the Consumer Price Index (CPI). The percentage currently applied in the MTFs, based on the Bank of England's August 2019 forecast is 1.8% in 2020/21, increasing to 2.1% in 2021/22, 2.3% in 2022/23 and 2.4% thereafter. Previously the base level of inflation included within forecasts was 2.2% in 2019/20 reducing to 2.0% in 2021/22 and thereafter, reflecting the Government target for CPI. This represents a change in the expected trajectory for interest rates and an expectation that in the longer term, CPI will settle above

the 2.0% target level. Inflation rates will be reviewed again for the BSR in February 2020 and if changes in forecasts are significant, adjustments will be made at that point.

Interest rates on deposits

The council lends its cash balances externally on a short-term basis, with a view to generating a return that can be spent on delivering council services whilst managing both security and liquidity of the cash. Members of the Bank of England Monetary Policy Committee (MPC) unanimously increased the bank rate to 0.75% (previously 0.50%) on 1st August 2018 and it has remained at the level since then.

Rates available to investors continue to be exceptionally low. However, through the use of a variety of investments as permitted by our investment strategy, we are maintaining average rates of return around 1.3%. Based on this performance, we have maintained our assumption of 1.3% return, as noted in Section 3. This assumption will be reviewed during budget-setting, as rates are currently volatile with considerable downward pressure.

The council's HRA is entitled to a proportion of interest earned on revenue and capital cash balances invested by the authority. This share was based upon the HRA receiving interest from the GF at the average interest rate earned by the authority across all of its investments. However, the authority has a range of investments with varying levels of risk and associated interest rates. As the GF effectively indemnifies the HRA against downside risk on the value of investments, i.e. it is bearing the risk associated with achieving higher rates, it should benefit from the interest earned at these rates. Therefore, estimates of interest to be paid to the HRA in this MTFS have been based on 0.80%, the current rate earned on term deposit accounts, which have minimal valuation risk.

Interest rates on external borrowing

The council has no GF borrowing. However, the council uses its cash balances to fund capital spending and to lend to the Cambridge City Housing Company (CCHC) and the Cambridge Investment Partnership (CIP). The council has a substantial interest in both these organisations, which provide financial returns to the council and enable the delivery of policy priorities. Use of cash balances in this way is known as 'internal borrowing' and may indicate a need to borrow externally in due course. The council keeps this situation under regular review and seeks advice from its treasury advisors (Link Asset Services) in this regard.

The council is currently exploring options for the redevelopment of the multi-storey car park on Park Street. These may include external borrowing or leasing arrangements that will put finance lease liabilities, i.e. a form of borrowing, on the council's balance sheet. Accounting standards require these liabilities to be assessed at the council's underlying cost of borrowing, which is likely to be the rate at which the council could borrow from the Public Works Loan Board (PWLb) for a period equal to the duration of the lease. At this stage, the costs of any borrowing are expected to be funded from within the redevelopment scheme.

National policy context

Government spending announcements

The Chancellor's Spring 2019 Statement confirmed that the Government would hold a Spending Review to be concluded alongside the 2019 Autumn Budget (SR19). At that point, the downward pressure on debt interest payments and better than expected performance on tax receipts had provided a 'modest medium-term improvement in public finances. Since then, Brexit has been delayed from 29 March to 31 October and the Prime Minister and Cabinet have changed. Many spending pledges have been made with little information available to date on how they are to be financed.

The uncertainty created by these changes has led to a marked reduction in the value of Sterling against both the Euro and the US Dollar, making financial prediction fraught with difficulty. Various recent policy announcements from Government have provided some indication of the direction for local government funding, but only on a short-term basis.

Local government finance

2020/21 and future years

The government and the local government sector have undertaken considerable work on distribution mechanisms for local government funding including the Fair Funding Review (FFR), consideration of increasing the Business Rates Retention share to 75% and a Business Rates baseline reset. Alongside these, a spending review addressing the quantum of local government funding would enable resetting of the system and provide greater financial certainty for councils and allow them to make financial plans with greater confidence. The working assumption to this point has been that all these elements would be implemented together in 2020/21, as it would be difficult to make decisions on the distribution of funding if the quantum is not known. Additionally, without a

funding envelope, damping or other transitional arrangements on the introduction of a new distributional formula would be difficult to design.

However, continued political uncertainty has increased the likelihood that a three-year spending review will not be achievable and that other reforms to the local government system may also be delayed for political and timetabling reasons. Therefore, a single year settlement for 2020/21, based on 2019/20 allocations and underpinned by a one-year spending review is considered likely. The implementation of the FFR and reforms to the Business Rates Retention Scheme (BRRS) would similarly be delayed for a year.

During the drafting of this report, a single-year spending round was announced and delivered on 4 September 2019. This confirmed that reforms to the local government funding systems referred to above will be implemented for 2021/22.

The base assumptions in this MTFS, broadly confirmed by the spending review, are:

- In 2020/21 the council will get the same Settlement Funding Assessment (SFA) in cash terms as it received in 2019/20
- Baseline Funding Levels (BFL) will be indexed in line with the Business Rates multiplier, which will increase at 2.00% p.a.
- 'Negative Revenue Support Grant' will continue to be fully funded

There is considerable uncertainty relating to the SFA for 2021/22 and beyond. The impacts of the government's Fair Funding Review and implementation of 75% business rates retention are also unknown at this time. Therefore, this MTFS uses a funding trajectory derived from a model provided by the council's advisers to provide a view of possible future funding levels, as shown in the table below.

The locally retained business rates growth element has been increased in line with growth now achieved. For a number of years, increases in the rating list from new developments have been balanced by premises removed from the list due to regeneration schemes. This no longer appears to be the case. It should be noted that implementation of business rates reform is likely to involve a baseline reset, removing growth and resetting the baseline in line with the outcomes of the FFR.

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Revenue Support Grant (RSG)	-	-	-	-	-
Business rates baseline	4,203	4,287	4,373	4,462	4,552
Total SFA - per 2019/20 finance settlement and as modelled	4,203	4,287	4,373	4,462	4,552
Locally retained business rates – growth element	800	1,100	1,100	1,100	1,100

In line with the growth identified above, work on the council's Collection Fund at year end has shown that there are surplus balances that will become available to the council in the current and following years. Subject to audit confirmation, business rate funds of £1.3m are available within 2019/20, with a further £1.6m estimated for 2020/21. Beyond this, changes to the business rates scheme make future amounts too uncertain to quantify. Due to current high levels of uncertainty and financial risk, it is proposed to add these balances into GF reserves. They will then be available, subject to business case and normal budget bidding process, to support the transformation of council services and as possible funding to address any impacts of a no-deal Brexit.

New Homes Bonus

The New Homes Bonus (NHB) was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The eligible amount, calculated from housing growth in the year, was then paid each year for a period of 6 years. In December 2016 the scheme was changed so that payments were reduced from 6 to 5 years in 2017/18 and to 4 years from 2018/19 together with the introduction of a national baseline for housing growth of 0.4% of council tax base from 2017/18, below which the Bonus is not paid.

The government has retained the right to adjust the baseline, principally to remain within spending limits each year. Any changes intended for the baseline in 2020/21 will be detailed at the time of the provisional settlement.

2019/20 was the final year of funding agreed through the Spending Review 2015. The next three or four-year spending review was expected in autumn 2019, alongside the Fair Funding Review and a review of business rates retention. However, only a one-year spending round was delivered, and the outcomes of the other reviews have been delayed until next year. Government has indicated that it will review how to incentivise housing growth most effectively alongside these reviews. It is therefore highly likely that NHB will be replaced at that point, although the underlying funding is expected to

be redistributed within the local government sector in some way. Government has committed to consult widely on any changes prior to enactment. As the impact of these changes cannot be foreseen, this MTFs continues to include the consideration of NHB funding and how it will be used, based on assumptions of future growth and a 0.4% baseline.

NHB is currently used to fund both revenue and capital spending related principally to growth and place. Along with partners, the Council has committed 30% of NHB funding each year to a GCP Investment and Delivery Fund. However, the council's revenue and capital take priority over the contribution to the GCP Investment and Delivery Fund. As this funding stream is expected to undergo significant change in the next two or three years, estimated surpluses will be left uncommitted until amounts are confirmed. NHB receipt estimates are shown below, along with current commitments.

Description / (£000)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Confirmed NHB funding at February 2019 BSR	(5,505)	(4,144)	(2,983)	(1,496)		
Add						
Estimated NHB receipts for 2020/21		(1,316)	(1,316)	(1,316)	(1,316)	
Estimated NHB receipts for 2021/22			(1,379)	(1,379)	(1,379)	(1,379)
Estimated NHB receipts for 2022/23				(1,445)	(1,445)	(1,445)
Estimated NHB receipts for 2023/24					(1,515)	(1,515)
Estimated NHB receipts for 2024/25						(1,588)
Potential New Homes Bonus Total	(5,505)	(5,460)	(5,679)	(5,637)	(5,656)	(5,927)
Commitments against NHB						
Funding for officers supporting growth e.g. within planning	785	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	564
Direct revenue funding of capital (DRF)	1,075	1,075	1,075	1,075	1,075	1,075
Contribution to GCP @30%	1,652	1,638	1,704	1,691	1,697	1,778
DRF to reduce internal borrowing NCL4329	1,429					
Total commitments against NHB	5,505	4,062	4,128	4,115	4,121	4,202
NHB (uncommitted) / overcommitted	0	(1,398)	(1,551)	(1,522)	(1,535)	(1,725)

As the future of this funding stream is in doubt, the table below presents a scenario in which currently confirmed amounts are maintained over their expected four-year duration, but no additional amounts are added to these totals. When compared with the table above, this give an indication of the amount of funding that could be lost.

Description / (£000)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Confirmed NHB funding at February 2019 BSR	(5,505)	(4,144)	(2,983)	(1,496)		
Commitments against NHB						
Funding for officers supporting growth e.g. within planning	785	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	564
Direct revenue funding of capital (DRF)	1,075	1,075	1,075	1,075	1,075	1,075
Contribution to GCP @30%, limited to available funding 2021/22 onwards	1,652	1,243	559	0	0	0
DRF to reduce internal borrowing NCL4329	1,429					
Savings or alternative funding required				(928)	(2,424)	(2,424)
Total commitments against NHB	5,505	3,667	2,983	1,496	0	0
NHB (uncommitted) / overcommitted	0	(477)	0	0	0	0

Council tax

Council tax income in this MTFS is modelled based on a 1.99% increase per property for a band D property. This reflects an announcement within the Spending Round 2020/21 that the referendum limit for council tax increases will be reduced from 3.0% to 2.0%. In previous years, district councils were permitted to increase band D council tax rates by 2.0% or £5, which ever was greater, however, no mention was made of this alternative, so at this point it has been disregarded.

Section 3

Review of key assumptions

Budget forecasts presented in the February 2019 BSR were based on a number of key assumptions, for example levels of general and pay inflation, interest rates, future funding requirements and council tax levels.

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

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

Key area	Assumption	Comment / Sensitivity
Pay Inflation	Pay progression cost estimate plus: 2020/21 - 2.5% (previously 2.0%) and 2.0% thereafter (no change)	Negotiation of 2020/21 pay awards currently underway.
Employee turnover	4%	In general, employee budgets assume an employee turnover saving of 4.0% of gross pay budget. Specific vacancy factors are applied where experience indicates that a different vacancy factor is more applicable.

Key area	Assumption	Comment / Sensitivity
General inflation (OBR/BoE)	2020/21 – 1.8% 2021/22 – 2.1% 2022/23 – 2.3% 23/24 and after – 2/4% (previously 2.2%, 2.1%, 2.0%)	Provisions have been updated in accordance with the Bank of England's latest forecasts. Updated central provisions have been made as appropriate for fuel, electricity and gas based on current knowledge of these markets or revised contractual commitments. The same inflation factors are applied to Central and Support Services as for direct services.
Major contracts	Inflation per contract	Major contracts and agreements, in term, are rolled forward based on the specified indices in the contract or agreement
Income and charges	2.0%	Income and charges – general assumption of 2.0% ongoing, but specific reviews of all charges required by committees. Property rental income based on detailed projections and rent reviews.
Investment interest rate assumption	2020/21 and thereafter 1.30%	Based on current projections
Capital funding contributions	£1.880m	Capital funding contributions at base level of £1.880m per annum with feasibility budget of £94,000, or 5% of that amount. £1.075m is funded from New Homes Bonus so is contingent on the continuity and level of that funding stream
Council Tax increase	2020/21 onwards 1.99%	Decreased from 2.99% increase previously assumed, in line with the Spending Round announcement. A 1% change in council tax represents about £90k p.a. for the council
Government grant (SFA)	For 2020/21, the SFA is assumed to be the same in cash terms as the 2019/20 SFA.	Government funding beyond 2019/20 has not yet been announced. The expectation is that the implementation of the Fair Funding Review and changes to the Business Rates Retention Scheme will now be delayed until 2021/22. Therefore funding has been assumed at current rates,

Section 4

Review of budgets and savings targets

2018/19 outturn

A favourable variance of £371k (2017/18: £642k) after approved carry forward requests of £923k (2017/18: £1,330k) was recorded on net service spending in the GF for 2018/19. After variances on government funding, statutory capital accounting adjustments, contributions to/ from earmarked reserves and the application of direct revenue funding for capital have been taken into account, the overall net effect was an increase in the GF reserve of £2,034k (2017/18: £2,031k decrease).

Efforts to control the variance on total staffing costs through the use of a 4% vacancy factor were successful, with a small favourable variance of £165k (0.6% of budget) recorded. In general, the outturn on income was less satisfactory, with variations above and below budget. Income from commercial rents and licensing showed significant upside, with income from bereavement services, community centres and parking falling short of expectations. Other variances were generally small, full details are shown in the outturn overview report to Strategy & Resources scrutiny committee.

2019/20 budgets

Departmental budgets are regularly monitored and reported to the Senior Management Team and the Executive to ensure that the Council and its services spend only what is necessary to deliver its aims and objectives. Where variances are identified, either positive or negative, investigations are undertaken to ensure that there is a reasonable justification and whether the variance has a short or long-term impact.

In-year revenue proposals

There are no revenue proposals for 2019/20.

Head of Service Engagement

In 2018, Heads of Service were asked to review their medium-term budget pressures and savings opportunities for the ten-year period to 2028/29, to provide a basis for longer term financial planning. These forecasts have been updated and form the basis for detailed planning, particularly for capital expenditure.

As significant savings targets for 2020/21 and future years were identified in BSR 2019, a two-pronged approach has been followed. Firstly, a number of service reviews and savings opportunities have been identified for further work. The results of this work will be brought back for consideration within the budget setting processes for 2020/21 and 2021/22 as appropriate. Alongside this, Heads of Service have been asked to begin the development of budget proposals earlier than before and to develop business cases and detailed proposal documents to allow more thorough consideration and challenge.

Figures modelled in this MTFS contain an estimate of unavoidable revenue pressures and reduced income based on a five-year average. This provides a realistic set of savings targets based on inflated base budgets and estimated funding streams, against which all discretionary budget proposals can be prioritised.

Savings requirements

Applying these changes to budget assumptions and indicative pressures gives an indication of the minimum net savings requirements by year for the next 5 years, assuming that savings are delivered in the year that the requirement is identified. In previous years, the net savings requirement has been adjusted using GF reserves to create a consistent profile across the period. However, the adjustment has not been made in this MTFS for the following reasons:-

- the financial modelling includes indicative unavoidable pressures, which may or may not crystallise into budget proposals, so any adjustment of the savings profile could be misleading

- significant uncertainty in relation to funding from government (settlement funding assessment) would similarly impact the saving profile;

Following these changes, the net savings requirements considering unavoidable indicative pressures and reduced income total around £6.9m for the 5-year period, or £1.38m per year.

Description	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Net savings requirement (BSR Feb 2019)	635	635	635	635	598	3,138
Net impact of funding changes, inflation and indicative pressures / reductions in income	345	720	785	895	1,022	3,767
Revised (MTFS) net savings requirement	980	1,355	1,420	1,530	1,620	6,905

The level of net savings requirement identified by this MTFS provides a baseline for detailed budget setting work, with some allowance for unavoidable calls on limited resources. Any additional spending pressures that emerge through the BSR process will increase savings requirements accordingly, whilst reductions in overall spending pressures and increases in income will reduce the savings required.

Use of reserves to support savings requirements

The council's GF reserve balance is above the target levels required (See section 7). This excess could be used to smooth or delay the need to make savings. However, reserves can only be used once, whereas savings, once made, have to recur year on year, i.e. use of reserves cannot permanently reduce the need to make savings.

Section 5

General Fund – Expenditure and funding

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

Description / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Expenditure						
Net service budgets - base and inflation	19,725	21,227	22,796	23,818	24,902	26,069
Allowance for unavoidable revenue pressures and reduced income	0	1,000	1,836	2,705	3,608	4,545
Savings delivered from prior years	0	0	(980)	(2,335)	(3,755)	(5,285)
Net service budgets	19,725	22,227	23,652	24,188	24,755	25,329
Capital accounting adjustments	(6,353)	(6,353)	(6,353)	(6,353)	(6,354)	(6,354)
Capital expenditure financed from revenue	2,966	1,979	1,786	1,786	1,786	1,786
Contributions to earmarked funds	3,058	2,888	2,666	2,591	2,597	2,619
Net spending requirement before in year savings	19,396	20,741	21,751	22,212	22,784	23,380
In year savings (required) / delivered	0	(980)	(1,355)	(1,420)	(1,530)	(1,620)
Net spending requirement	19,396	19,761	20,396	20,792	21,254	21,760
Funded by:						
Settlement Funding Assessment (SFA)	(4,179)	(4,287)	(4,373)	(4,461)	(4,549)	(4,641)
Locally Retained Business Rates – Growth Element	(800)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)
Other grants from central government	(1,300)	(1,600)	0	0	0	0
New Homes Bonus (NHB)	(5,504)	(5,460)	(5,678)	(5,636)	(5,656)	(5,728)
Appropriations from earmarked funds	0	0	0	0	0	0
Council Tax	(8,627)	(8,914)	(9,245)	(9,595)	(9,949)	(10,291)
Contributions to / (from) reserves	1,014	1,600	0	0	0	0
Total funding	(19,396)	(19,761)	(20,396)	(20,792)	(21,254)	(21,760)

Section 6

Capital plan

Capital Strategy

The council publishes a capital strategy that outlines the principles and framework that shape the council's capital investment proposals. The principal aim is to deliver an affordable programme of capital investment consistent with the council's financial strategy and that contributes to the achievement of the council's priorities and objectives as set out in the corporate plan. The strategy defines at the highest level how the capital programme is to be formulated and designed; it identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed.

As well as detailing the approved capital investment programme over the forthcoming five years, the document also sets out the Council's ambitions over the medium to longer term.

The Strategy incorporates:

- A direct relationship to the Corporate Plan
- A framework for the review and management of existing and future assets
- An investment programme expressed over the medium-term
- A document that indicates the opportunities for partnership working
- A framework that prioritises the use of capital resources
- A consideration of the need to pursue external financing (grants, contributions etc.)
- A direct relationship with the Treasury Management Strategy

An updated capital strategy will be published in February 2020 alongside the Treasury Management Strategy Statement and the Budget Setting Report 2020/21.

Approved capital plan

The capital plan was approved by council in February 2019. Since then the plan has been updated for projects carried forward or rephased from 2018/19 and for new projects totalling £487k, either S106 funded or specifically approved.

Approved since BSR / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Approved at BSR Feb 2019:							
Programmes	682	200	30	30	-	-	942
Projects	20,363	13,975	1,927	-	-	-	36,265
Sub-total	21,045	14,175	1,957	30	-	-	37,207
Provisions	96	816	61	-	-	-	973
Total	21,141	14,991	2,018	30	-	-	38,180

Changes approved and adjustments made in year:							
Programmes	7,396	-	-	-	-	-	7,396
Projects	7,745	-	-	-	-	-	7,745
Sub-total	15,141	-	-	-	-	-	15,141
Provisions	3,520	-	(1)	-	-	-	3,519
Total	18,661	-	(1)	-	-	-	18,660

Current approved plan:							
Programmes	8,078	200	30	30	-	-	8,338
Projects	28,108	13,975	1,927	-	-	-	44,010
Sub-total	36,186	14,175	1,957	30	-	-	52,348
Provisions	3,616	816	60	-	-	-	4,492
Total	39,802	14,991	2,017	30	-	-	56,840

Mid-year capital spending proposals

The tables below list projects that have been approved exceptionally since BSR 2019 and proposals that have been endorsed by the Quality Assurance Group and the Business Transformation Board. The latter are now put forward for funding approval.

Ref.	Description / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Approved since BSR Feb 2019:							
SC698	Waterbeach solar panels (project completed in 2018/19)	18	-	-	-	-	-	18
PR052	RE:FIT 3 Energy performance improvement	294	-	-	-	-	-	294
PR038	Investment in commercial property portfolio	4,083	-					4,083
SC697	Grant for St John's church improvement (S106)	100	-	-	-	-	-	100
SC703	King's Parade – temporary barriers	35	-	-	-	-	-	35
	Total Approved since BSR Feb 2019	4,530	-	-	-	-	-	4,530

Ref.	Description / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Proposals							-
SC646	Redevelopment of Cambridge Junction	250	-	-	-	-	-	250
SC658	CCTV infrastructure – additional cost	75	-	-	-	-	-	75
SC691	HR and payroll – new system	20	150	-	-	-	-	170
SC699	Corn Exchange fire doors	37	-	-	-	-		37
SC672	Mill Road redevelopment – development loan to CIP	-	1,142	-	-	-	-	1,142
SC695	Cromwell Road redevelopment – equity contribution	-	329	333	-	-	-	662
SC696	Cromwell Road redevelopment – development loan to CIP	2,376	5,481	1,000	-	-	-	8,857
SC701	Dales Brewery – replacement fire alarm system	24	-	-	-	-	-	24
	Total Proposals	2,782	7,102	1,333	-	-	-	11,217

Proposals

Redevelopment of Cambridge Junction (£250k): Following the successful completion of the feasibility stage, funds are now required to complete a site wide masterplan for the Cambridge Junction redevelopment scheme to RIBA stage 2 in order to be able to submit an application for capital funding to Arts Council England by April 2020. In this phase of the scheme the costs will cover detailed design work which will map the expansion of the performance venue areas to address existing and growth gaps in arts and cultural space provision identified within initial reports, and also could include eight floors of flexible office and studio space above the existing venue. The project will be delivered in phased development to manage the risk of securing further funding.

CCTV infrastructure – additional cost (£75k): This proposal is for additional funding to enable the project to be completed this year. The supplementary capital bid is expected to pay for the extended scope of the CCTV replacement project to incorporate unforeseen changes to the capital works, and costs that are outside of the contract, such as power supplies, changes to the location of the network cabling as well as further works on the Grand Arcade rooftop, all of which are required in order to complete the installation of the CCTV system.

HR and payroll new system (£170k): The capital bid is for the procurement and implementation of a modern and fully integrated cloud-based Human Resources Information System (HRIS). The solution, jointly procured and implemented with South Cambridgeshire District Council and Huntingdonshire District Council, will deliver HR and payroll core transactions over the next 10 years. The system will create efficiency, reduce cost and improve the way HR can support managers and staff across the three authorities. The costs include data migration into the new system, re-engineering of the current processes and go-live support. The scheme is planned to be delivered within 2 years.

Corn Exchange fire doors (£37k): The council provides cultural services at the Cambridge Corn Exchange. A recent Fire Safety report has identified an urgent need to replace the internal fire doors in order to comply with the fire regulations. The cost will be covered by the service maintenance budget, with no call on generally available capital funding.

Mill Road and Cromwell Road redevelopment funding (£10,661k in total): As previously reported, these developments are being delivered by CIP and will generate capital receipts and surpluses for the council on completion. The council is providing equity and development loans to CIP, earning 5% p.a. on these loans. As these schemes progress, revised cost estimates and cash flow

profiles become available. This proposal increases the loan amounts to reflect the most recent projections.

Dales Brewery – replacement fire alarm system (£24k): The current system is ineffective and therefore needs to be replaced. The cost will be covered by the service maintenance budget, with no call on generally available capital funding.

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

Approved since BSR including proposals / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
BSR Feb 2019: Funding available from revenue and unapplied	(293)	(1,543)	(1,738)	(1,756)	(1,786)	(1,786)	(8,902)
Changes approved and adjustments made in year:							
Spend:							
Approved (net of funding reassigned to these projects)	4,482	-	-	-	-	-	4,482
Proposed	2,782	7,102	1,333	-	-	-	11,217
	7,264	7,102	1,333	0	0	0	15,699
Funding:							
S106	(100)	-	-	-	-	-	(100)
Direct revenue funding (DRF)	(293)	(150)	-	-	-	-	(443)
Capital receipts	(4,083)	-	-	-	-	-	(4,083)
Climate change fund	(235)	-	-	-	-	-	(235)
Existing revenue budgets	(90)	-	-	-	-	-	(90)
Internal borrowing	(2,376)	(6,952)	(1,333)	-	-	-	(10,661)
Balance to be funded from reserves - underspend on completed schemes in 2018/19	(87)	-	-	-	-	-	(87)
	(7,264)	(7,102)	(1,333)	0	0	0	(15,699)
Revised capital funding availability	-	(1,393)	(1,738)	(1,756)	(1,786)	(1,786)	(8,459)
Memo: 5% top-slice of DRF – revenue feasibility budget	94	94	94	94	94	94	564

Funding has been identified for the majority of schemes proposed, as shown above. However, if all the proposed schemes are approved, additional funding will be required in 2019/20. This could be made available from GF reserves, as miscellaneous underspends from capital schemes completed in 2018/19 were returned to reserves at the end of the year.

Revised plan

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

MTFS Proposals / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Current approved plan – as above:							
Total	39,802	14,991	2,017	30	-	-	56,840
Changes proposed:							
Programmes	-	-	-	-	-	-	-
Projects	2,782	7,102	1,333	-	-	-	11,217
Sub-total	2,782	7,102	1,333	-	-	-	11,217
Provisions	-	-	-	-	-	-	-
Total	2,782	7,102	1,333	-	-	-	11,217
Proposed plan:							
Programmes	7,789	200	30	30	-	-	8,049
Projects	31,179	21,077	3,260	-	-	-	55,516
Sub-total	38,968	21,277	3,290	30	-	-	63,565
Provisions	3,616	816	60	-	-	-	4,492
Total	42,584	22,093	3,350	30	-	-	68,057

Work continues to develop a number of schemes within the Council capital strategy to be brought forward for funding approval through the BSR in February 2020 and beyond. These schemes will draw on capital funding available and reported above, expected capital receipts and potentially internal and external borrowing as appropriate for the scheme.

Section 7

Risks and reserves

Risks

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

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation, pay increases and interest rates, may prove incorrect;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- The economic impact of the United Kingdom leaving the European Union may impact some of the council's income streams such as car parking income, commercial rents and planning fee income, with the timing and degree of impact difficult to predict;
- Funding from central government (Settlement Funding Assessment, including the outcome of the Fair Funding Review, New Homes Bonus and other grants) may fall below projections;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2010, may significantly exceed the provision put aside for this purpose. A specific risk exists around a claim for charitable status and mandatory relief made by NHS Trusts, where a test case is listed for a hearing in November 2019.
- The impact of 75% business rates retention, coupled with any additional responsibilities handed down to the council at that time, may create a net pressure on resources;
- New legislation or changes to existing legislation may have budgetary impacts;
- Unforeseen expenditure, such as major repairs to offices and commercial properties, may be required;

- The implementation of proposals to tackle congestion in Cambridge may adversely impact car parking income and the delivery of services that rely on officers travelling around the city. The council may also become subject to a workplace parking levy;
- The council may not be able to replace time-limited funding for commitments to maintain open spaces associated with growth sites, or implement alternative arrangements for their maintenance; and
- The council may be impacted by spending cuts implemented by other agencies.

Reserves

General Fund reserve

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

As a result, the minimal change is recommended. These reserve levels have been included in the calculations of net savings requirements in this report.

General Fund reserves	£m
February 2019 BSR	
- Target level	6.60
- Minimum level	5.50
October 2019 MTFS – Recommended levels	
- Target level	6.61
- PMB	5.51

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

Description / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Balance as at 1 April (b/fwd)	(15,415)	(16,429)	(18,029)	(18,029)	(18,029)	(18,029)
Contribution (to) / from reserves	(1,014)	(1,600)	0	0	0	0
Balance as at 31 March (c/fwd)	(16,429)	(18,029)	(18,029)	(18,029)	(18,029)	(18,029)

As noted above, the levels of risk to the financial sustainability of the council are considerable and are increased by delays in the delivery of finding reforms and the impact of Brexit uncertainty alongside a worsening global financial outlook. This council is fortunate to have reserves available to fund one-off transformational activity and capital requirements. No specific proposals have been made on the use of reserves pending the outcome of the Fair Funding Review, when a re-basing of budgets with a longer-term view will be possible.

Earmarked and specific funds

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

These funds are subject to annual review as part of the MTFS to ensure that agreed principles are applied: -

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

Type of earmarked or specific fund	Balance at 31 March 2019 £000	Balance at 31 March 2018 £000
Major policy-led funds	11,518	12,442
R&R funds	933	1,868
Statutory and accounting reserves	6,099	4,319
Shared / partnership funds	6,577	5,258
Other – to be closed once committed balances are spent	235	941
Total	25,362	24,828

Section 8

Budget strategy

General Fund savings requirements

Description	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Net savings requirement (BSR Feb 2019)	635	635	635	635	598	3,138
Net impact of funding changes, inflation and indicative pressures / reductions in income	345	720	785	895	1,022	3,767
Revised (MTFS) net savings requirement	980	1,355	1,420	1,530	1,620	6,905

General Fund budget strategy

Budget process

The GF budget process for 2020/21 will remain broadly similar to that for previous years, working within an overall cash limit designed to meet known financial pressures. The base model used to prepare this report has driven the recommendations in respect of the 2020/21 budget process and provided indications of the level of savings required to meet both current and anticipated spending needs.

The GF MTFS has highlighted:

- Further economic uncertainty as departure from the European Union approaches;
- A lack of clarity in the future direction of local government funding
- Pressure on payroll costs, due to the city's vibrant and diverse economy

- A need to take action to balance the budget in the short term and to ensure financial sustainability for the council in the long term

Identification of further savings

The council has a record of identifying and delivering savings, through both service reviews and improvements in value for money obtained over all categories of spending. However, as in previous years, it is expected that the value of new savings found will decrease over time as services become leaner and more cost effective.

As in previous years, the council is continuing with a long-term programme of transformation to bring about fundamental changes to the way the council delivers services and interacts with residents, tenants and other parties. The three-pronged approach to service review and savings delivery initially presented in the council's efficiency plan 2016-2020 is continued:

- transformation programme
- the extension of collaborative working with local partners
- investment to provide regular income streams

As such, BSR 2020 will present budget proposals for savings and increased income, and bids for implementation costs arising from these initiatives.

Achieving financial sustainability and resilience

Despite continuing pressures and uncertainties, the council's finances remain healthy. However, there is no foreseeable end to scarce funding for local authorities and economic conditions remain challenging, particularly with the Brexit deadline of 31 October 2019 approaching. It is important, therefore, to ensure that the council is prepared to manage financial challenges as they arise.

To ensure financial resilience the council must: -

- Maintain healthy levels of reserves
- Implement a ten-year financial planning horizon
- Plan and deliver savings in a controlled and sustainable way

- Ensure savings and income plans are firm and robust and that gaps / savings still to be found are minimised, particularly in the next two or three financial years
- Minimise unplanned overspends and/or carrying forward undelivered savings into the following year.

The council maintains a sound system of financial management and control. However, it is continuing to enhance its planning and monitoring with a view to ensuring that circumstances that might lead to financial stress are identified and acted upon in a timely manner. To this end, all Heads of Service review financial and performance monitoring reports council-wide, ensuring greater challenge, visibility and ownership. This process is supported by the new financial management system which

- Provides better tools for budget holders to monitor their income and expenditure.
- Reinforces the financial management responsibilities of budget holders and their support teams
- Enforces financial procedures and limits through automated workflow processes

Further on-going enhancements include: -

- Improving project management processes and skills, including: -
 - Revising the council's project management toolkit
 - Implementing a corporate project management system, PM3
 - Providing project management training for project managers and sponsors
 - Improving programme and project monitoring by reviewing and enhancing key programme boards
- Enabling greater financial input and challenge to projects and new ventures, particularly at the business case stage, through increasing the resource and skills in the finance team.
- Undertaking more detailed risk analysis, cash flow and funding projections for large and complex projects to support decision-making at the project, programme and whole council levels.

Appendix A(a): Capital Plan 2019/20 to 2024/25

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
Capital-GF Projects								
PR030h	Romsey 'town square' public realm improvements (S106)	J Richards	49	0	0	0	0	0
PR030p	Outdoor fitness equipment near astroturf pitch by Abbey Pool (S106)	I Ross	1	0	0	0	0	0
PR031g	Milton Rd Library community meeting space (S106)	J Hanson	100	0	0	0	0	0
PR031q	Bramblefields nature reserve: improve biodiversity & access (S106)	J Richards	5	0	0	0	0	0
PR031r	Chesterton Rec Ground skate and scooter park (S106)	A Wilson	48	0	0	0	0	0
PR032s	Footbridge across Hobson's Brook at Accordia development (S106)	A Wilson	52	0	0	0	0	0
PR032t	Fulbourn Road open space improvements (S106)	A Wilson	10	0	0	0	0	0
PR032w	Accordia open space improvements (S106)	A Wilson	6	0	0	0	0	0
PR032y	Trumpington Rec Ground skate park (S106)	A Wilson	78	0	0	0	0	0
PR032z	Trumpington Rec Ground trim trail and climbing frame (S106)	A Wilson	12	0	0	0	0	0
PR033s	Histon Rd Rec play area: paths, surfacing & landscaping (S106)	A Wilson	1	0	0	0	0	0
PR033t	St Clement's churchyard open space on Bridge Street (S106)	J Hanson	9	0	0	0	0	0
PR040s	Public art grant for Kettle's Yard - Antony Gormley Performance Programme (S106)	N Black	5	0	0	0	0	0
PR040t	Public Art Grant for Cambridge Live - Colours in our community (S106)	N Black	3	0	0	0	0	0
PR040z	Public art grant for Historyworks - Michael Rosen Walking Trails 2 (S106)	N Black	10	0	0	0	0	0
PR041g	Netherhall School: supplementary grant for gym and fitness suite facilities (S106)	I Ross	56	0	0	0	0	0
PR042a	St Clement's Church community grant (S106)	N Black	30	0	0	0	0	0
PR042b	Mill Road cemetery access and main footpath improvements (S106)	A Wilson	20	0	0	0	0	0
PR042b	Museum of Technology meeting space community grant (S106)	J Hanson	2	0	0	0	0	0
PR042c	Grant for Netherhall School meeting space (S106)	J Hanson	24	0	0	0	0	0
PR042d	Romsey Mill community facility grant (S106)	J Hanson	21	0	0	0	0	0
PR042g	To the River - artist in residence (S106)	N Black	85	0	0	0	0	0
PR042h	Public art grant - Cambridge Junction: News News News (S106)	N Black	5	0	0	0	0	0
PR042j	Public art grant - NIE Theatre, tales from the Edge of Town (S106)	N Black	9	0	0	0	0	0
PR042k	Public art grant - Rowan Humberstone: Ecology sculpture (S106)	N Black	15	0	0	0	0	0
PR042l	Public art grant - Faith and Hope (S106)	N Black	20	0	0	0	0	0
PR042m	Public art grant - Chesterton village sign (S106)	N Black	10	0	0	0	0	0

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
PR042n	Public art grant - HistoryWorks: Travellers and Outsiders (S106)	N Black	15	0	0	0	0	0
PR050a	Relocation of services to 130 Cowley Road (OAS)	W Barfield	20	0	0	0	0	0
PR050d	Mobile working (OAS)	W Barfield	52	0	0	0	0	0
PR050e	Cowley Road Compound ex-Park and Ride site (OAS)	W Barfield	27	0	0	0	0	0
PR050f	Guildhall Welfare Improvements (OAS)	W Barfield	189	0	0	0	0	0
PR050g	Office optimisation (OAS)	W Barfield	275	0	0	0	0	0
SC548	Southern Connections Public Art Commission (S106)	A Wilson	13	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Saunders	20	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace car park	S Cleary	193	0	0	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donnell	200	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	T Allen	21	0	0	0	0	0
SC605	Replacement Building Access Control System	W Barfield	8	0	0	0	0	0
SC611	Grafton East car park essential roof repair	S Cleary	33	0	0	0	0	0
SC615	Cherry Hinton Grounds improvements Phase 2 (S106)	A Wilson	49	0	0	0	0	0
SC627	Guildhall Large Hall Windows refurbishment	A Muggeridge	101	0	0	0	0	0
SC633	Reinforcing grass edges along paths across Parker's Piece (S106)	D Peebles	135	0	0	0	0	0
SC634	Grand Arcade and Queen Anne Terrace car parks sprinkler systems	S Cleary	8	0	0	0	0	0
SC639	Re-roofing the Guildhall	W Barfield	164	0	0	0	0	0
SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	G Theobald	46	0	0	0	0	0
SC645	Electric vehicle charging points	J Dicks	415	50	0	0	0	0
SC646	Redevelopment of Cambridge Junction	J Wilson	250	0	0	0	0	0
SC651	Shared ICT waste management software	J Carré	351	0	0	0	0	0
SC654	Redevelopment of Silver Street Toilets	D O'Halloran	559	0	0	0	0	0
SC655	Resealing the roof at Robert Davies Court	A Muggeridge	177	0	0	0	0	0
SC656	Barnwell Business Park remedial works to the roofs	A Muggeridge	90	0	0	0	0	0
SC658	Cambridge City CCTV infrastructure	J Carré	188	0	0	0	0	0
SC659	My Cambridge City online customer portal	C Norman	154	0	0	0	0	0
SC660	Council Anywhere - desktop transformation	J Carré	329	18	18	0	0	0

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
SC661	Adaptions to Riverside Railings	A Wilson	37	0	0	0	0	0
SC662	Shared Planning Service software and implementation	S Kelly	59	0	0	0	0	0
SC670	Lammas Land car parking infrastructure	A French	27	0	0	0	0	0
SC672	Mill Road Redevelopment - Development Loan to CIP	C Ryba	9,446	2,554	0	0	0	0
SC674	Mill Road Redevelopment - Equity Loan to CIP	C Ryba	4,265	0	0	0	0	0
SC675	Bateman Street tree replacement	A Wilson	17	0	0	0	0	0
SC677	AV equipment upgrade for Committee Rooms and Council Chamber	G Clift	125	0	0	0	0	0
SC678	Crematorium - additional car park	G Theobald	348	0	0	0	0	0
SC679	Crematorium - cafe facilities	G Theobald	323	0	0	0	0	0
SC680	CCTV equipment upgrade	J Carré	30	0	0	0	0	0
SC682	Pay and display equipment upgrade	A Wilson	18	0	0	0	0	0
SC684	Property Management software	P Doggett	100	0	0	0	0	0
SC685	Mobile column lifts at Waterbeach garage	D Cox	24	0	0	0	0	0
SC686	Car park server replacement (LAPE)	S Cleary	20	0	0	0	0	0
SC687	Customer Service Centre improvements	C Norman	61	0	0	0	0	0
SC688	Environmental Health software	J Carré	40	0	0	0	0	0
SC689	Income management software	C Norman	47	0	0	0	0	0
SC690	Secure phone payments	C Norman	24	0	0	0	0	0
SC691	HRIS new system	D Simpson	20	150	0	0	0	0
SC692	CHUB - community extension to Cherry Hinton library	J Hanson	767	0	0	0	0	0
SC693	Lion Yard shopping centre investment	D Prinsep	4,200	1,800	0	0	0	0
SC694	Meadows Community Hub and Buchan St retail outlet	C Flowers	554	2,168	1,892	0	0	0
SC695	Cromwell Road Redevelopment - equity loan to CIP	C Ryba	1,963	3,037	350	0	0	0
SC696	Cromwell Road Redevelopment - development loan to CIP	C Ryba	3,700	11,300	1,000	0	0	0
SC697	Grant for St John's church improvements (S106)	J Hanson	100	0	0	0	0	0
SC699	Corn Exchange fire doors	J Wilson	37	0	0	0	0	0
SC701	Dales Brewery - fire alarm system	D Prinsep	24	0	0	0	0	0
SC703	King's Parade - temporary barriers	S Hemingway	35	0	0	0	0	0
Capital-GF Projects			31,179	21,077	3,260	0	0	0

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
Capital-Programmes								
PR010	Environmental Improvements Programme	J Richards	70	170	0	0	0	0
PR010a	Environmental Improvements Programme - North Area	J Richards	69	0	0	0	0	0
PR010b	Environmental Improvements Programme - South Area	J Richards	77	0	0	0	0	0
PR010c	Environmental Improvements Programme - West/Central Area	J Richards	127	0	0	0	0	0
PR010d	Environmental Improvements Programme - East Area	J Richards	110	0	0	0	0	0
PR037	Local Centres Improvement Programme	J Richards	7	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	850	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (S106)	T Nicoll	165	0	0	0	0	0
PR038	Investment in commercial property portfolio	J Richards	5,279	0	0	0	0	0
PR039	Minor Highway Improvement Programme	D Prinsep	40	30	30	30	0	0
PR050	Office Accommodation Strategy Phase 2 (OAS)	J Richards	473	0	0	0	0	0
PR051	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	W Barfield	228	0	0	0	0	0
PR052	RE:FIT 3 Energy performance improvement and carbon reduction programme (Phase 1)	W Barfield	294	0	0	0	0	0
Capital-Programmes			7,789	200	30	30	0	0
Capital-GF Provisions								
PV007	Cycleways	J Richards	397	0	0	0	0	0
PV018	Bus Shelters	J Richards	4	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	0	0	60	0	0	0
PV549	City Centre Cycle Parking	J Richards	2	0	0	0	0	0
PV554	Development Of land at Clay Farm	D Prinsep	393	816	0	0	0	0
PV564	Clay Farm Community Centre -Phase 2 (Construction)	I Ross	0	0	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	D Prinsep	20	0	0	0	0	0
PV682	Local investment bond	C Ryba	2,800	0	0	0	0	0
Capital-GF Provisions			3,616	816	60	0	0	0
Total GF Capital Plan			42,584	22,093	3,350	30	0	0

Appendix A(b): Capital Funding 2019/20 to 2023/24

Description	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
External Support						
Developer Contributions	(1,315)	0	0	0	0	0
Other Sources	(733)	(50)	0	0	0	0
Total - External Support	(2,048)	(50)	0	0	0	0
City Council						
Direct Revenue Financing (DRF) - GF Services	(175)	0	0	0	0	0
Direct Revenue Financing (DRF) - Use of Reserves	(5,615)	(1,761)	(1,786)	(1,786)	(1,786)	(1,786)
Earmarked Reserve - Capital Contributions	(4,693)	0	0	0	0	0
Earmarked Reserve - Office Accommodation Strategy	(473)	0	0	0		
Earmarked Reserve - Climate Change Fund	(326)	0	0	0	0	0
Earmarked Reserve - Repair & Renewals Fund	(1,043)	0	0	0	0	0
Internal Borrowing - Temporary Use of Balances	(23,514)	(21,675)	(3,242)	0	0	0
Usable Capital Receipts	(4,697)	0	(60)	0	0	0
Total - City Council	(40,536)	(23,436)	(5,088)	(1,786)	(1,786)	(1,786)
Total Available Finance	(42,584)	(23,486)	(5,088)	(1,786)	(1,786)	(1,786)
Capital Plan	42,584	22,093	3,350	30	0	0
Net Funding Available	0	(1,393)	(1,738)	(1,756)	(1,786)	(1,786)

Appendix B

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

Description	Level of risk	Amount at risk	Risk
		£	£
Employee costs	Low	30,540,290	61,081
Premises costs	Low	7,482,630	14,965
Transport costs	Low	682,730	2,731
Supplies and services	Low	24,966,990	12,483
Grants and transfers	Low	33,017,710	33,018
Grant income	Low	39,918,600	39,919
Other income	Medium	54,194,060	812,911
Miscellaneous	Low	404,960	607
Total one year operational risk			977,715
Allowing three years cover on operational risk			2,933,000

General and specific risks	Amount (£)	Probability (%)	
Unforeseen events	2,000,000	30%	600,000
Legal action - counsel's fees	100,000	50%	50,000
Data Protection breach	500,000	30%	150,000
Capital project overruns	750,000	50%	375,000
Project failure / delays to savings realisation	2,000,000	50%	1,000,000
Cover for lower level of earmarked and specific reserves	1,000,000	30%	300,000
Fuel cost inflation - currency fluctuations due to Brexit	100,000	100%	100,000
General risks			2,575,000

Prudent Minimum Balance (PMB)	5,508,000
Target (PMB + 20%)	6,610,000

Operational cost risk profiles

		Low	Medium	High
Employee costs	overspend	1.00%	3.00%	5.00%
30,540,290	probability	20.0%	15.0%	10.0%
	amount at risk	61,081	137,431	152,701
Premises costs	overspend	1.00%	3.00%	5.00%
7,482,630	probability	20.0%	15.0%	10.0%
	amount at risk	14,965	33,672	37,413
Transport costs	overspend	2.00%	4.00%	6.00%
682,730	probability	20.0%	15.0%	10.0%
	amount at risk	2,731	4,096	4,096
Supplies and services	overspend	1.00%	3.00%	5.00%
24,966,990	probability	5.0%	10.0%	15.0%
	amount at risk	12,483	74,901	187,252
Grants and transfers	overspend	1.00%	2.00%	3.00%
33,017,710	probability	10.0%	7.5%	5.0%
	amount at risk	33,018	49,527	49,527
Grant income	overspend	1.00%	2.00%	3.00%
39,918,600	probability	10.0%	7.5%	5.0%
	amount at risk	39,919	59,878	59,878
Other income	overspend	5.00%	10.00%	15.00%
54,194,060	probability	10.0%	15.0%	20.0%
	amount at risk	270,970	812,911	1,625,822
Other	overspend	1.00%	2.00%	3.00%
404,960	probability	15.0%	10.0%	5.0%
	amount at risk	607	810	607

Appendix C

Principal earmarked and specific funds

Fund	Balance at 1 April 2019 £000	Anticipated contributions £000	Forecast expenditure £000	Forecast balance 31 March 2024 £000
Greater Cambridge Partnership (formerly City Deal) Investment and Delivery Fund	(5,626)	(8,449)	14,075	0
Sharing Prosperity Fund	(260)	0	260	0
Climate Change Fund	(368)	(100)	468	0
Asset Replacement Fund	(933)	(5,000)	5,000	933
Bereavement Services Trading Account	(718)	(800)	1,518	0
Local Plan Development Fund	(1,223)	(600)	1,823	0
Office accommodation strategy fund	(900)	0	900	0
Invest for Income	(8,000)	0	8,000	0
A14 Mitigation Fund	(1,500)	0	1,500	0
Cambridge Live Development Plan	(489)	(250)	739	0
Total	(20,017)	(15,199)	34,283	933

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

The Local Plan Development Plan Fund is used to fund work with South Cambridgeshire District Council on the joint Local Plan.

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Item

TREASURY MANAGEMENT HALF YEARLY UPDATE REPORT 2019/20

To:

The Executive Councillor for Finance & Resources: Councillor Richard Robertson

Strategy & Resources Scrutiny Committee 7th October 2019

Report by:

Caroline Ryba – Head of Finance & S151 Officer

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

Wards affected:

All Wards

Key Decision

1. Executive Summary

- 1.1 The Council has adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2017).
- 1.2 This half-year report has been prepared in accordance with the Code and covers the following: -
 - The Council's capital expenditure (Prudential Indicators);
 - A review of compliance with Treasury and Prudential Limits for 2019/20;
 - A review of the Council's borrowing strategy for 2019/20;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - A review of the Council's investment portfolio for 2019/20; and;
 - An update on interest rate forecasts following economic news in the first half of the 2019/20 financial year.
- 1.3 Cash Balances are forecast to increase by £1,200,000 in the year
- 1.4 Cash advances to the Cambridge Investment Partnership continue and are increasing in line with latest projections approved by the CIP board. Cash calls of approximately £15,000,000 are expected in 2019/20

- 1.5 Interest receipts for the year are projected at £1,806,000 which is £46,000 above budget but is £76,000 lower than last year due mainly to reductions in investment rates.

2. Recommendations

The Executive Councillor is asked to recommend to Council:

- 2.1 The Council's estimated Prudential and Treasury Indicators 2019/20 to 2022/23 (Appendix A).
- 2.2 An increase in the Authorised Limit for External Debt from £300m to £400m (paragraph 5.3).
- 2.3 To note the inclusion of loans to the Cambridge City Housing Company and Cambridge Investment Partnership on the Current Counterparty list shown in Appendix B.

3. Background

- 3.1. The Council is required to comply with the CIPFA Prudential Code (December 2017 edition) and the CIPFA Treasury Management Code of Practice (Revised December 2017). The Council is required to set prudential and treasury indicators, including an Authorised Limit for borrowing, for a three-year period and should ensure that its capital plans are affordable, prudent and sustainable.
- 3.2 The Code of Practice requires as a minimum receipt by full Council of an Annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.
- 3.3 In line with the Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and to full Council.
- 3.4 The Council is currently supported in its treasury management functions by specialist advisors who are Link Asset Services. These services include the provision of advice to the Council on developments and best practice in this area and provide information on the creditworthiness of potential counterparties, deposits, borrowing, interest rates and the economy.

4. The Council's Capital Expenditure and Financing 2019/20 to 2022/23

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

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

4.2 Details of capital expenditure forms one of the required prudential indicators. The table overleaf shows the proposed capital expenditure and how it will be financed. It also includes any re-phasing during 2019/20 and is in line with the agreed Capital Plan.

Estimate	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
General Fund Capital Expenditure	36,645	17,279	4,500	2,531
HRA Capital Expenditure	54,004	79,676	43,994	26,614
Total Capital Expenditure	90,649	96,955	48,494	29,145
Resourced by:				
• Capital receipts	-12,494	-11,131	-6,405	-3,183
• Other contributions	-64,963	-81,823	-50,581	-25,762
Total resources available for financing capital expenditure	-77,457	-92,954	-56,986	-28,945
Financed from cash balances	13,192	4,001	-8,492	200

4.3 The Medium Term Financial Strategy now includes capital expenditure of £5.7 million in 2019/20 and £14.5 million in 2020/21 for the Cromwell Road site. This is General Fund expenditure which will be funded from cash balances. This is reflected in the increase in the Council's Capital Financing Requirement.

5. The Council's Prudential and Treasury Management Indicators

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

Capital Financing Requirement & External Borrowing Estimate	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
General Fund Capital Financing Requirement	31,601	35,402	26,710	26,710
HRA Capital Financing Requirement	214,321	214,321	214,321	214,321
Total Capital Financing Requirement	245,922	249,723	241,031	241,031
Movement in the Capital Financing Requirement	12,915	3,801	(8,692)	0
<i>Financed from cash balances</i>	<i>13,192</i>	<i>4,001</i>	<i>(8,492)</i>	<i>200</i>
<i>Minimum Revenue Provision</i>	<i>(277)</i>	<i>(200)</i>	<i>(200)</i>	<i>(200)</i>
Estimated External Gross Debt/Borrowing (Including HRA Reform)	213,572	213,572	213,572	213,572
Authorised Limit for External Debt	400,000	400,000	400,000	400,000
Operational Boundary for External Debt	250,922	254,723	246,031	246,031

- 5.2 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members.
- 5.3 The Council is currently in negotiation with a developer in relation to a major regeneration opportunity within the city centre. A number of funding options are under consideration which may require the Council to take on debt in the form of loan(s) or finance lease liabilities. Therefore, it proposed that the Authorised Limit for External Debt is increased from £300m to £400m to allow this deal to proceed if approved.
- 5.4 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 21 st February 2019	300,000

Assumed HRA Debt Limit Remaining (B)	230,839
2011/12 Borrowing (for HRA Self-Financing, C)	213,572
General Fund Headroom (A minus B)	69,161
HRA Headroom (B minus C)	17,267
2012/13 to 2018/19 Borrowing	NIL
2019/20 Borrowing up to 31 st August 2019	NIL
Total Current Headroom (A minus C)	86,428

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

6. Borrowing

6.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1st April 2004.

6.2 Current borrowing relates to loans from the PWLB for self-financing dwellings, held within the HRA, taken out in 2012 totalling £213,572,000.

6.3 The Council’s current capital plan does not require any new external borrowing for the period 2019/20 to 2022/23, inclusive. However, this will be kept under review as part of the development of the capital plan.

6.4 The provision for the repayment of debt is known as the Minimum Revenue Provision (MRP). Regulations require the authority to publish at least annually a policy by which MRP will be determined. This policy was agreed by Council on 21st February 2019. Changes to the policy will be considered and amendments may be proposed in the next Treasury Management strategy, alongside the Council’s capital strategy and budget setting report.

6.5 In the event that external borrowing is undertaken the Council is able, as an eligible local authority, to access funds at the PWLB Certainty Rate (a 0.20% discount on loans) until 31 October 2020, at least (with the date agreed annually).

7. Investment Portfolio

7.1 The Council takes a cautious approach to its Treasury Management Strategy, and the detailed counterparty list with limits is shown within Appendix B.

7.2 The average rate of return for all deposits to 31st July 2019 is 1.06%, compared to 1.29% in 2018/19. The current quoted return on the CCLA Local

Authorities Property Fund is an annual return of 4.24%. Loans extended to CIP projects on Mill Road and Cromwell Road have an annual return of 5% for working capital loans with 1.3% taken as investment income and the balance transferred to the balance sheet for future allocation to approved projects.

- 7.3 A corporate review of risk in respect of all deposits has been carried out to ensure that minimal risk is present for the Housing Revenue Account (HRA) nominal cash balances. Returns from lower risk investments (currently estimated at 0.8%) will be used to transfer interest receipts to the HRA from 2019/20 and beyond.
- 7.4 Current estimates for 2019/20 include Gross interest receipts of £1,806,000 and net receipts to the General Fund of £1,280,000 which is £238,000 above the annual budget of £1,042,000. This is mainly due to loan interest in respect of the Cromwell road land sold to CIP in March 2019 and the alignment of investment returns to risk in respect of the HRA.
- 7.4 The table below shows the Council's predicted cash balances apportioned between short term (up to 3 months), medium term (up to 1 year) and long term (core cash, up to 5 years) deposits.

DEPOSIT ANALYSIS Annualised Av Balance	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Short Term – 40%*	42,069	23,437	14,484	21,298	31,604
Medium Term - 30%*	31,552	17,578	10,863	15,974	23,703
Long Term – 30%*	31,552	17,578	10,863	15,974	23,703
TOTAL	105,172	58,592	36,210	53,245	79,009

*Based on current estimated net cash inflow trends

- 7.5 The Council's balances reduce in line with the cash requirements of the Cambridge Investment Partnership redevelopments of Mill Road and Cromwell Road and an enhanced HRA capital plan to further increase Affordable homes in the City. Balances increase as loans start to be repaid and additional rent receipts are present in the HRA Business plan. Lending to CIP, including land values of £32,240,000, is estimated to peak at £17,800,000 for Mill Road (Land £5,240,000) in 2020/21 and £48,300,000 for Cromwell Road (Land £27,000,000) in 2021/22. All loans are secured against assets in various CIP limited companies.
- 7.6 An analysis of the sources of the Council's deposits is prepared from the balance sheet at the end of each financial year. The analysis for 31 March 2019 is shown at Appendix C.

8. Update on the exit from the European Union

- 8.1 The 2016 referendum result generated some uncertainty in the investment markets, and current events continue to disrupt the markets. The council will continue to seek out asset backed securities wherever possible as mitigation in these uncertain times.

9. Interest Rates

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

10. Implications

(a) Financial Implications

This is a financial report and implications are included in the detail paragraphs as appropriate.

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

(b) Staffing Implications

None.

(c) Equality and Poverty Implications

None.

(d) Environmental Implications

None.

(e) Procurement Implications

None.

(f) Community Safety Implications

No community safety implications.

11. Consultation and communication considerations

None required.

12. Background papers

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

13. Appendices

13.1 Appendix A – Prudential and Treasury Management Indicators

Appendix B – The Council's current Counterparty list
Appendix C – Sources of the Council's Deposits
Appendix D – Link's opinion on UK Forecast Interest Rates
Appendix E – Glossary of Terms and Abbreviations

14. Inspection of papers

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

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

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

Estimates	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
PRUDENTIAL INDICATORS				
Capital expenditure				
- General Fund	36,645	17,279	4,500	2,531
- HRA	54,004	79,676	43,994	26,614
Total	90,649	96,955	48,494	29,145
Capital Financing Requirement (CFR) as at 31 March				
- General Fund	31,601	35,402	26,710	26,710
- HRA	214,321	214,321	214,321	214,321
Total	245,922	249,723	241,031	241,031
Change in the CFR	12,915	3,801	-8,692	0
Deposits at 31 March (Average cash balances annualised)	105,172	58,592	36,210	73,078
External Gross Debt	213,572	213,572	213,572	213,572
Ratio of financing costs to net revenue stream				
-General Fund	(1,280)	(1,192)	(1,142)	(1,142)
-HRA	6,968	7,122	7,280	7,335
Total	5,688	5,911	6,223	6,228
% of net revenue expenditure				
-General Fund	(6.86%)	(6.08%)	(5.66%)	(5.66%)
-HRA	16.67%	16.38%	15.98%	14.91%
Total (%)	9.41%	9.39%	9.39%	8.95%

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000
TREASURY INDICATORS				
Authorised limit				
for borrowing	400,000	400,000	400,000	400,000
for other long-term liabilities	0	0	0	0
Total	400,000	400,000	400,000	400,000
Operational boundary				
for borrowing	250,922	254,723	246,031	246,031
for other long-term liabilities	0	0	0	0
Total	250,922	254,723	246,031	246,031
Upper limit for total principal sums deposited for over 364 days & up to 5 years	50,000	50,000	50,000	50,000
Upper limit for fixed & variable interest rate exposure				
Net interest on fixed rate borrowing/deposits	5,688	5,911	6,223	6,228
Net interest on variable rate borrowing/deposits	-15	-15	-15	-17
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

Treasury Management Annual Investment Strategy

Current Counterparty List

The full listing of approved counterparties is shown below, showing the category under which, the counterparty has been approved, the appropriate deposit limit and current duration limits (*references have now been made to RFB & NRFB for UK Banks, with explanations within the Glossary at Appendix E).

Recommended changes to this list are shown in bold.

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
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

Name	Council's Current Deposit Period	Category	Limit (£)
Members of a Banking Group (BoS Group includes Lloyds, RBS Group includes NWB)	Using Link's Credit Criteria	UK Banks and UK Nationalised Banks	30m
Svenska Handelsbanken	Using Link's Credit Criteria	Non-UK Bank	5m
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/S1)	Over 3 months and up to 1 year	Financial Instrument	10m (per single counterparty)
Money Market Funds (AAAf) – 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	Asset Value (£'m) – as at 26 th June 2019	Limit (£)
Nationwide Building Society	1 month or in line with Link's Credit Criteria, if longer	236,035	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	
Principality Building Society		9,502	Assets between £5,000m and £49,999m - £2m
West Bromwich Building Society		5,552	
Non-Specified Investments: -			
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 (CCHC) Working Capital Loan *	Up to 1 year	Loan	200,000
CCHC Investment *	Rolling Balance	Loan (Asset Security)	7,500,000
Cambridge Investment Partnership (Mill Road)*	Rolling Balance	Loan (Asset Security)	17,800,000

Name	Council's Current Deposit Period	Category	Limit (£)
Cambridge Investment Partnership (Cromwell Road)*	Rolling Balance	Loan (Asset Security)	48,300,000
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)
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)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	20m (in total)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Secured Local Bond in Local Businesses – Using Allia Limited	N/A	Local Business Bond	Up to 5m in total
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 (excluding balances with related parties*) will not exceed £50m.

Sources of the Council's Deposits

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

The interest earned on these deposits is credited to the General Fund and Housing Revenue Account respectively and helps to fund the cost of providing services. This currently amounts to around £1.5m each year based on current deposit and interest rate levels.

At 1st April 2019, the Council had deposits of £103.911m. The table below provides a sources breakdown of the funds deposited at that date: -

Funds Deposited as at 1 April 2019	£'000	£'000
Working Capital		22,818
General Fund:		
General Reserve	12,721	
Asset Renewal Reserves	1,651	
Other Earmarked Reserves	10,805	25,177
Housing Revenue Account (HRA): -		
General Reserve	11,539	
Asset Renewal Reserves	13,144	
Major Repairs Reserve	11,231	
Other Earmarked Reserves	2,537	
Capital Financing Requirement (Including HRA)	-233,107	
PWLB Borrowing for HRA	213,572	18,916
Capital:		
Capital Contributions Unapplied	11,105	
Usable Capital Receipts	25,895	37,000
Total Deposited		103,911

The HRA accounts for around 60% of reserves deposited.

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

Introduction

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

Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) kept the bank rate at 0.75% and kept Quantitative Easing (QE) at £435bn, on 1st August 2019. Going-forward, the Council's treasury advisor, Link, has provided the following interest rate forecasts, issued on 5th August 2018: -

	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%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.25%
3 month LIBID	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.00%	1.00%	1.10%	1.20%
6 month LIBID	0.80%	0.80%	0.80%	0.80%	0.80%	0.90%	1.00%	1.10%	1.10%	1.20%	1.30%	1.40%
12 month LIBID	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.20%	1.30%	1.30%	1.40%	1.50%	1.60%
5yr PWLB rate	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.00%	2.10%
10yr PWLB rate	1.50%	1.50%	1.60%	1.80%	1.90%	2.00%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%
25yr PWLB rate	2.10%	2.10%	2.30%	2.40%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	3.00%	3.00%
50yr PWLB rate	2.00%	2.00%	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%

The actual vote by the MPC on 1st August 2019 was unanimous at 9-0 in favour of keeping the bank rate unchanged.

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 London banks borrow Eurocurrency deposits from other banks
Liquidity	A measure of how readily available a deposit is
MHCLG	Ministry for Housing, 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
Low Volatility Net Asset Value (LVNAV)	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)
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 counterparty
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 (VNAV)	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