



Cambridge City Council  
**Strategy and Resources Scrutiny Committee**

**Date:** Monday, 5 October 2020

**Time:** 5.00 pm

**Venue:** This is a virtual meeting via Microsoft Teams

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

**Agenda**

- 1 Election of Chair and Vice-Chair
- 2 Apologies for Absence
- 3 Declarations of Interest
- 4 Minutes (Pages 5 - 30)
- 5 Public Questions

**Decisions for the Executive Councillor for Strategy and External Partnerships**

- 6 Combined Authority Update (Pages 31 - 44)

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

- 7 Annual Complaints Report (Pages 45 - 86)
- 8 Treasury Management Half Yearly Update Report (Pages 87 - 104)  
2020/21
- 9 General Fund Medium Term Financial Strategy 2020 (Pages 105 - 156)
- 10 Service Review: Customer Services (Pages 157 - 176)

A key decision by the Executive Councillor for Finance and Resources is required which has not been on the Forward Plan giving 28 days notice of that decision. Under the Constitution, Part 4B-Access to Information Procedure Rules, this decision can still be taken if a notice is given setting out the reasons why compliance with the publicity requirement is impractical.

A strategic decision is needed in order to enable operational decisions to be taken about Customer Services provision in support of the

Council's customer service strategy and the ongoing response to Covid-19 during the rest of the financial year 2020/21. Taking the decision at Strategy & Resources Committee on 5 October allows this decision to be pre-scrutinised before it is taken.

- 11 To Note Record of Urgent Decision Taken by the Executive Councillor for Finance and Resources
- 11a Revised Local Authority Discretionary Grant Policy Under section 31 of the Local Government Act 2003 (Pages 177 - 178)
- 11b Procurement of electricity supply contract 2020 (Pages 179 - 180)

**Strategy and Resources Scrutiny Committee Members:** Barnett (Vice-Chair), Bick, Davies, Dalzell, Green and Robertson

**Alternates:** Collis, Martinelli, O'Reilly and Payne

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

## Information for the public

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Members of the public are welcome to view the live stream of this meeting, except during the consideration of exempt or confidential items, by following the link to be published on the Council's website.

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If members of the public wish to address the committee please contact Democratic Services by 12 noon two working days before the meeting.

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## STRATEGY AND RESOURCES SCRUTINY COMMITTEE

6 July 2020  
5.00 - 9.30 pm

**Present:** Councillors Davey (Chair), Barnett (Vice-Chair), Bick, Davies, Dalzell and Green

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

### Officers:

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Strategic Director: Suzanne Hemmingway

Head of Finance: Caroline Ryba

Head of Human Resources: Deborah Simpson.

Organisational Development Manager: Vince Webb

Democratic Services Manager: Gary Clift

Committee Manager: Claire Tunncliffe

## FOR THE INFORMATION OF THE COUNCIL

### 20/13/SR Apologies for Absence

No apologies were received.

### 20/14/SR Declarations of Interest

Name	Item	Interest
Councillor Green	20/18/SR	Personal: Covid Recovery Plan in relations to grants and small business.
Councillor Green	20/25/SR	Prejudicial: Received a grant as small business owner.

**20/15/SR Minutes**

The minutes of the meeting held on 3 February 2020 were approved as a correct record and signed by the Chair.

**20/16/SR Public Questions**

A member of the public put forward the following statement as set out below.

- i. Wanted to highlight the deletion of the named dog warden post referred to in agenda item 12, service variations.
- ii. Aware that it was part of the initial savings put forward by the Environment and Community Scrutiny Committee before lockdown but wanted to ask about the rationale behind this saving.
- iii. Wished to highlight the impact on an important and effective service provided by the Council which reflected the feelings of the local community.
- iv. The current post provided a responsive personal service which treated each issue on an individual basis; this was not a one size fits all service.
- v. Enforcement was not the only option the post required understanding, specialist knowledge and education.
- vi. Had witnessed locally the work of the named dog warden post; a local resident having taken advice from the dog warden improved their care of the dog, equally taking care of themselves and began sharing their issues and needs with members of their local community. Enforcement would not have achieved such positive results.
- vii. The saving proposed does not recognise the benefit of the service to those who use and pay for this service locally, plus the work that has been done with those in the homeless community.
- viii. All the individuals that had been informed of this deletion in the local community did not support these proposals.
- ix. Queried if the free microchipping would still be offered; a valuable service to those on low incomes.
- x. The service in its current form won an award in 2019, offering a corporate delivery would lose the specialism of an individual post.

The Executive Councillor for Finance and Resource said the following:

- i. The proposal for this saving had been agreed at the beginning of the year; the review had been delayed for six months but was now underway.

- ii. The enforcement team would share the dog warden responsibilities and would be given the necessary training.
- iii. This should mean an increase in the availability of officers who could deal with dog duties when and where this was needed.

The Chief Executive advised there was a benefit for several teams across the council not to rely on one single specialist but to spread the skills across a range of people. This provided flexibility and resilience to the service.

The following supplementary points were point forward:

- i. Understood the need to build resilience but would lose the expertise of a specialist.
- ii. Believed that enforcement officers undertook numerous tasks and adding dog services to that list would not allow an in-depth knowledge and service in that area; just covered the basic responsibilities of the Environmental Protection Act 1990.
- iii. The current post worked consistently well covering a diverse range of issues throughout the city and offered an expert service to all residents.

## **20/17/SR Combined Authority Update**

### **Matter for Decision**

The report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 3 February 2020 meeting of Strategy & Resources Scrutiny Committee.

### **Decision of Executive Councillor for Strategy and External Partnerships**

Noted the update on issues considered at the meetings of the Combined Authority held on 25 March, 29 April and 3 June 2020.

### **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 presented by the Executive Councillor for Strategy and External Partnerships.

### **Matter for Decision**

The report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 3 February 2020 meeting of Strategy & Resources Scrutiny Committee.

### **Decision of Executive Councillor for Strategy and External Partnerships**

Noted the update on issues considered at the meetings of the Combined Authority held on 25 March, 29 April and 3 June 2020.

### **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 presented by the Executive Councillor for Strategy and External Partnerships.

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

- i. Agreed the Mayor's approach to the transport projects in relation to the Greater Cambridge Partnership (GCP) was not positive for public accountability or public understanding of the issues that were involved which was regrettable.
- ii. The GCP had just completed their first five years of project delivery and had recently been awarded the next tranche of government funding, therefore the GCP clearly the right organisation to undertake the transport project work.
- iii. Asked if the capital grants scheme had been widely advertised and if the criteria to apply for a grant was clear. It was vital there was transparency to show where and how public money had been allocated, particularly as funds were being dispersed into the private sector.
- iv. Questioned if the Mayor understood the need for affordable housing in Cambridge, any delivery was welcome.
- v. Highlighted an article in the local press regarding affordable housing being delivered by the Combined Authority Mayor. It also referenced that he had negotiated £100 million as part of the devolution deal. The council had also taken part in the negotiations and believed a proportion of funding had been allocated to the city for affordable housing. Questioned how the income stream was allocated.



- vi. A recent Savills report highlighted the lack of affordable housing in the city; the median house price to median income ratio was 13 times the average income, compared with the national average of 7.8.
- vii. Queried the £40million rolling fund the Combined Authority had, which the same newspaper article referred to.
- viii. Asked how the Mayor decided what the funding criteria was for strategic projects as this did not appear to be clear. Provided the example of Lancaster Way Roundabout on the outskirts of Ely and noted there were projects that required more urgent works.
- ix. Queried the Mayor's declarations of interests at meetings as they did not seem to be consistent.
- x. Requested an update on the CAM metro policy.
- xi. Asked for an update on Alconbury Weald as had read the lease was being surrendered.

The Executive Councillor for Strategy and External Partnerships and the Strategic Director said the following in response to Members' questions:

- i. Understood there had been a widespread publicity campaign regarding the grant scheme for the first round. Comments made by the committee overlapped the concern expressed outside of the committee regarding the governance of the business board. It was important for the board to remain accountable and to report on their spending.
- ii. Having reviewed the grant applications these had been submitted by a diverse selection of businesses.
- iii. The grants awarded were to those organisations who needed the funding to protect jobs.
- iv. The capital grant funding had been linked to the previous growth hub funding in terms of innovation specifically linked to COVID-19, shared by the economic sub-groups and had been promoted very strongly.
- v. Acknowledged the hard work and support that had been undertaken and given during the COVID-19 pandemic by the Combined Authority.
- vi. With regards to the CAM metro it did feel that the Mayor was trying to create 'banana skins'. The Mayor's recent actions and comments were not compatible with the Local Transport Plan agreed at the GCP January meeting.
- vii. Suggested the Mayor could be invited to a future meeting of the Strategy and Resources Committee.

- viii. The Alconbury Weald lease was expensive and unnecessary, the Mayor proposed to relocate but no future strategy had been provided where this would be.
- ix. The revolving fund of up to £40million could be used for projects which would achieve an outcome and bring a return.
- x. £10million of the revolving fund had been allocated to a development on Histon Road on the former squash club site, four of the nine units would be affordable homes (£100,000 homes). Up to one thousand people had registered an interest in this scheme.
- xi. Believed that more could be achieved with the revolving fund.
- xii. Questioned the allocation of funding of projects and if the best outcome had been achieved; would suggest working with the committee to look in detail at the work going forward.
- xiii. Suggested that members read the annual finance report to look at the money spent and what had been delivered.

The Committee **resolved unanimously** to note the report.

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.

## **20/18/SR Cambridge City Council Outline Coronavirus Recovery Plan**

### **Matter for Decision**

The report provided a brief summary of the actions taken by Cambridge City Council in response to the Coronavirus emergency in the Spring of 2020, and set out the key areas of activity and emerging issues that the Council was working on as it developed its recovery plan.

### **Decision of Executive Councillor for Strategy and External Partnerships**

- i. Noted the Council's response to the Coronavirus emergency.
- ii. Agreed the priorities for recovery.

### **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 that outlined the council's rapid responses to the crisis, which had continued to evolve in the subsequent weeks and months since the City Council put its business continuity arrangements and pandemic plan into operation in March 2020.

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

- i. Reiterated the comments of the Chief Executive at how hard the staff had worked during this period and what had been achieved.
- ii. Asked if the council had begun the furlough scheme early enough.
- iii. Noted it was difficult for some staff working at home such as poor internet connection, lack of space and not being able to work in an environment that was removed from 'life at home'.
- iv. Believed working from home could result in an unequal work / life balance with staff working more hours; there were no boundaries away from work.
- v. Queried what help was being given to staff who were finding it difficult to work from home.
- vi. Virtual meetings suited some members of the council but not all; some felt that they did not offer a quick resolution of issues and could be tiring for those members who attended on a frequent basis.
- vii. Questioned what tools the council had to encourage and work with businesses to continue to employ furloughed staff as Government funding ended as stated in the officers' report.
- viii. Asked how the council would sustain the appropriate support and care packages for those rough sleepers who had moved into emergency accommodation.
- ix. Requested feedback on the city centre reopening since lock down, particularly when public houses, restaurants and cafes opened the previous weekend.
- x. Asked if there was a local lock down plan.
- xi. Queried where the level of business support grants sat in comparison to other local authorities.
- xii. Cambridge Sustainable Food spending had increased due to COVID-19. The organisation was quickly spending their council grant to meet demand. Questioned if it was possible for the council to increase their funding due to the exceptional circumstances.
- xiii. Enquired if steps had been taken to encourage staff to take leave or was there an option to wait until travel was permitted.
- xiv. Queried what could be done to encourage the wearing of face masks when shopping and in public places. Although not compulsory it should be supported.

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

- i. At the beginning of the furlough scheme the council had been advised it was not appropriate for local authorities to apply, this advice quickly changed. At the start, there were service areas where staff still had work to do, such as Estate and Facilities working on void properties or staff under Cambridge Live who were dealing with immediate issues such as cancelling shows. They were subsequently furloughed when that work ran out
- ii. The Council began to enquire about the furlough scheme on 20 April and applications were backdated to 16 March.
- iii. Agreed that working from home did not suit everyone. Arrangements had been made for staff who required additional equipment to be delivered. Preparations were made for staff to work at Mandela House who needed to do so or were finding working from home a challenge.
- iv. Moving forward, the Council would facilitate staff to work from home as much as possible but recognised it will not be right for everyone.
- v. Work / life balance was a challenge for some staff before COVID-19; working in a virtual environment was intense and staff were encouraged to take regular breaks, physical activity advice, mental health advice and the counselling service was regularly shared with staff.
- vi. Senior Management enforced the message that working from home did not mean you were permanently on call and boundaries needed to be set.
- vii. Recognised it was also hard for Members to work virtually and there would be a time when meetings would take place in the committee rooms or council chamber but could not say when that would be. However, there would be an opportunity to continue some meetings and briefings virtually.
- viii. It was an aspiration of the council to work with businesses to continue to employ furloughed staff as Government funding ended. Currently the tools available were the council grants available, the council was also the landlord of commercial tenants and ran the market
- ix. Moving forward the council would work with the Combined Authority and other agencies who had funding available to look at how businesses could be supported.
- x. The council would continue to support the homeless and rough sleepers, it was not just about supplying bricks and mortar, but the right services

and support would be given working with various agencies while looking at individual's needs.

- xi. Following the opening of public houses and restaurants on 4 July, the Police had acknowledged the hard work of the Environmental Health Team who had worked closely with licensees to ensure the correct safeguarding procedures were in place. Not all the public houses had opened; there would be challenges moving forward but the Environmental Health Team would continue to work with the licensees and other external agencies.
- xii. The weekend before the meeting, there had been challenges enforcing social distancing in the parks and open spaces, such as Midsummer Common and the Police approach had been one of education.
- xiii. The council had been involved in developing a local lock down plan for Cambridgeshire and Peterborough should this be required
- xiv. Officers were currently working on specific arrangements for Cambridge, ensuring the right environmental health response would be communicated, how to mobilise community groups efficiently and effectively, and how to support those in quarantine.
- xv. At a meeting with the Director of Public Health, the Chief Executive and Head of Community Services had suggested training for community leaders such as faith groups and councillors, looking at the different languages required to spread preventative communication and public health messages throughout the city.
- xvi. Over the last three months the council had awarded 1400 businesses support grants of £21,500,000 funded by central government and provided rate relief for a year.
- xvii. Discretionary grants were available to those business who did not meet the criteria for the business support grants. Since these grants became available (three weeks ago) £500,000 had been paid out to 140 business, charities and not for profit organisations.
- xviii. Funding had been allocated from central government based on the business rate relief list, therefore the allocation of funds was different for each local authority.
- xix. Could not answer the question regarding funding for Cambridge Sustainable Food but would make enquires and respond outside of the meeting.
- xx. Staff were encouraged to take leave by their line managers. The Chief Executive had reminded staff on the importance of taking leave during this lockdown period; she had reinforced this mentioning her own annual leave at the beginning of June in her regular communication to all staff.

- xxi. A certain number of holiday days had been permitted to be carried over to next year which would help staff and spread the holidays.
- xxii. The council had provided advice about wearing masks but was not enforcing this as the government had not yet made this compulsory. This was in line with the current public health messages. Face masks had been purchased for staff.

The Executive Councillor for Strategy and External Partnerships spoke of the financial impact Covid-19 had placed on the council and how some of the issues would be addressed at the next meeting of full council. He also acknowledged the phenomenal effort of the council's response to the pandemic led by the Chief Executive and the senior management team and the effect this had had on all council services.

The Committee **resolved by 5 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.

### **20/19/SR 3Cs Legal and ICT Services and Greater Cambridge - Internal Audit Shared Service - 2019/20 Annual Reports and Partnership Agreement Review**

#### **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 2019/20.

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

- i. Noted the content of the annual reports.
- ii. Noted the requirement for renewal of the 3Cs services partnership agreement the principle variations planned
- iii. Delegated authority to the Chief Executive and Strategic Director to finalise and agree the renewed partnership agreement by September 2020, in consultation with Executive Councillor, Chair and 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 Strategic Director.

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

- i. Asked if consideration had been given to greater shared scrutiny between the authorities, such as meeting virtually. There had been recently been a couple of ICT outages and suggested it could have been resolved more efficiently if all stake holders had been involved.
- ii. Enquired why the city council's consumption of legal services was higher than South Cambridgeshire District Council and Huntingdonshire District Council.

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

- i. There had been a previous proposal for a shared scrutiny committee. However, there were complications for agreeing the overall decision-making process in line with each authorities' constitution and the number of member allocations. Therefore, it had been decided not to pursue this further.
- ii. The level and complexity of the services delivered by the city council was currently greater than the other two local authorities therefore more advice and support was required from legal services when dealing with issues such as commercial portfolios.

The Executive Councillor for Finance and Resources made the following comments:

- i. Echoed the technical difficulties that had occurred when investigating a greater scrutiny committee; the executive councillor and scrutiny model used by the City Council was not compatible with the other local authorities.
- ii. Officers across the local authorities had regular debate and communication on the business plans and services. This worked well and there was no need to change.

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.

**20/20/SR Cambridge City Council Apprenticeship Strategy 2020****Matter for Decision**

The report proposed a new revised Cambridge City Council 'Apprenticeship Strategy 2020' to replace the existing Apprenticeship Strategy approved at the Strategy and Resources Scrutiny Committee in March 2017.

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

- i. Approved the proposed measures for a revised Cambridge City Council Apprenticeship Strategy 2020.
- ii. Agreed to consider a new provision for the transference of up to 10% p.a. to local SMEs, charitable and not for profit organisations as a pilot during 2020/21. This could be achieved by either working directly with external organisations or through the exiting schemes such as the Cambridge & Peterborough's Apprenticeship Levy Pooling Service which supports local business to take on apprentices.

**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 Organisational Development Manager.

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

- i. Asked how easy it was to find apprentices for these schemes particularly at entry level.
- ii. Welcomed the move away from using the levy on management apprenticeships.
- iii. Apprenticeships were going to be difficult for people to find, particularly school leavers in the future, especially in the current conditions.
- iv. Believed over the next two years the council's focus on the use of apprenticeships should be coupled with recruitment rather than internal development. The priority for the community at large was for people to enter the labour market. If there was any levy left the remainder could be



put into the levy pool and provide support for SME business, charitable and non-profit organisations who had a recruitment plan for sustainable employment.

- v. Queried when the absolute deadline was to make a final decision regarding the apprenticeship strategy?

The Organisational Development Manager said the following in response to Members' questions:

- i. Would expect several applicants for each apprenticeship, particularly given the current climate of the job market that COVID-19 had caused.
- ii. The council's focus was in three parts, the levy transfer, supporting existing staff and new recruits. No level had been put on support for new recruits and existing staff.
- iii. The Government allowed 25% of the total levy to be transferred annually, approximately £30,000 could be transferable. The proposal is to transfer 10% approx. £12,000 p.a.
- iv. The Council pays £120,000 to £100,000 into the apprenticeship levy annually which lasts two years. This is a rolling programme with each month's payment expiring after 24 months.
- v. It would be best to make the decision as soon as possible so that the funds could be transferred.

The Executive Councillor for Finance and Resources responded with the following comments:

- i. That the apprenticeship levy was for training and not for apprenticeship themselves. Recognising this, the committee should think about the impact on the voluntary sector, SME's and non-profit organisations who could make use of the levy.
- ii. Consideration had been given to put 25% immediately into this sector but felt emphasis should be for the city council to develop its own apprentices first. This would allow those organisations the opportunity to develop apprenticeship if appropriate or express an interest. Salary costs would also have to be picked up by the businesses as the levy did not cover this cost.
- iii. Believed there had an issue in the past in finding the appropriate training scheme for SME's.
- iv. The work that the levy had been proposed would see an increase in manual trades that traditionally had not been offered and was what the apprenticeship scheme was for. The scheme would be reviewed on a regular basis it could be possible that the transference of the Council's apprenticeship levy to local businesses, charitable and not for profit organisations could be increased in future.

Councillor Bick proposed and Councillor Dalzell seconded an additional recommendation:

NOTE the report and proposals

RECOMMEND a rethink of the proposed strategy applicable to apprentice starts over the next two years in the light of the post pandemic depression, with a view to emphasising the use of apprenticeships to improve recruitment offers, potentially sharing an increased surplus from the council with local SMEs, charitable and Not For Profit organisations who provide sustainable, recruitment-based business plans

AGREE a modified version of the strategy through the procedure for an urgent decision

The additional recommendation was lost by 2 votes to 4.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

## **20/21/SR Service Review: Revenues and Benefits**

### **Matter for Decision**

The introduction of Universal Credit meant that new working-age claimants, or claimants who have certain specified changes in circumstances, no longer claim Housing Benefit from the Council, but claim Universal Credit (UC) from the Department for Work and Pensions (DWP), which includes an amount for housing costs.

The report brought forward recommendations following a review of the Revenues and Benefits service in the light of this change.

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

- i. To restructure the Revenues and Benefits service, as detailed in the officer's of the 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 Strategic Director.

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

- i. Queried what if any impact the changes would have on staff; would staff be TUPE'd (Transfer of Undertakings Protection of Employment) across.
- ii. Requested reassurance that staff would be supported during this period.
- iii. Asked if the council could be sure that standards would not drop supporting the vulnerable residents in the city.
- iv. Indicated that the decision was inevitable
- v. Acknowledged the hard work and dedicated staff that the council had and expressed disappointment that the changes would have on them.

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

- i. Staff would not be TUPE'd as the Department of Working Pensions (DWP) had hired additional staff to undertake the additional work. Therefore, there could be potential redundancies.
- ii. When roles were redundant the council did try to redeploy staff within the council and would work with staff to look at the opportunities available.
- iii. Staff would be consulted and supported throughout the process.
- iv. The Council did not have the power to redeploy staff to external agencies.
- v. The work to support vulnerable people with their housing cost would be dealt with by the DWP through the universal credit scheme.
- vi. The council had a strategic interest to ensure that residents had accessed their benefits, offering financial advice through inclusion workers and council funding to external agencies such as citizens advice bureau.

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.

**20/22/SR Annual Treasury Management Outturn Report 2019/20****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 2019/20 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 to recommend to Council to:**

- i. Approve the report with the Council's actual Prudential and Treasury Indicators for 2019/20

**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 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.

**20/23/SR 2019/20 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances****Matter for Decision**

The report presented a summary of the 2019/20 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. Specific requests to carry forward funding from budget underspends in 2019/20 were reported.

This was the first year that one combined General Fund outturn report covering all portfolios was produced for scrutiny at Strategy and Resources Scrutiny Committee

**Decision of Executive Councillor for Finance and Resources to recommend to council to:**

- i. Approve carry forward requests totalling £1,070,060 revenue funding from 2019/20 to 2020/21, as detailed in Appendix C of the officer's report.
- ii. Carry forward requests of £27,634k capital resources from 2019/20 to 2020/21 to fund rephased net capital spending, as detailed in Appendix D of the officer's report.
- iii. To fund the overspend of two capital schemes – Lammas Land Car Parking and Barnwell Business Park remedial projects totalling £29,757 from reserves.
- iv. Transfer the Bateman Street tree replacement underspend of £17k to the Environmental Improvements programme – South.
- v. Transfer the underspend of £24k on Grafton East car park essential roof repair project to Structural Holding Repairs & Lift Refurbishment - Queen Anne project which is renamed Car Park Structural Holding Repairs.

**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. It was important part to note the carry forwards in Appendix C, particularly reference 4, tourism cost centre, regarding Visit Cambridge and Beyond. There was reference to a report being prepared for the end of June which had not been seen and questioned if there were further financial costs that the committee should be aware of.
- ii. Requested information to the carry forward for the refit carbon reduction projects and queried if this had been delayed from the previous year.
- iii. Asked for an update on the vacancy for the cycling and walking officer.
- iv. Requested further information on the reason for large variances for the Crematorium (Appendix A p184) and asked what was creating the greater loss, the impact of the closure of the A14 or the increase competition in the general area.
- v. Asked if officers would appraise the performance of Cambridge Live as it was difficult to evaluate the accounts which were no longer separate now the organisation was back under the remit of the council.
- vi. Questioned what the sum of money was the council had allocated to deal with the original bailout of Cambridge Live and where on the officer's report was this shown,
- vii. Enquired if an explanation on the significant overspend regarding Environment Improvements (p136) could be provided.
- viii. Asked if the Executive Councillor for Finance and Resources would comment on the 57.5% failure rate to deliver on the capital programme.
- ix. Paid credit to garage services and car parking services.
- x. Welcomed the improvement under the refuse and recycling collection and the surplus by the Bereavement Services and Town Hall lettings.
- xi. Questioned why there was areas of overspend and underspend in the open spaces' portfolio.

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

- i. The carry forward for the refit carbon reduction would have been carried for a purpose.
- ii. A detailed answer would be given outside of the meeting on the Visit Cambridge and Beyond report and Cycling and Walking Officer as this could not be provided.

- iii. Referenced p144 of the agenda pack provided a response to the Environment Improvements question. This confirmed a lack of recharging income on officer's time against a budget which required reviewing as it had been set higher than the potential income that was possible.
- iv. Suggested the staff (environment improvements) in the team were not sufficient to generate the income suggested in the budget. This was a significant imbalance and would be investigated further in the budget process.
- v. Under Culture and Communities, p143, the following headings - Corn Exchange and Guildhall, City Events and Folk festival and Cambridge Live when added together represented Cambridge Live that was the external organisation. The variances added together showed a figure of £100,000 overspend.
- vi. Reminded the committee that Cambridge Live was taken over by the council at the start of the year with a considerable amount of work required to be done with the organisation.
- vii. Work had been undertaken by officers to change the structure of Cambridge Live which would help to bring down the deficit. The COVID-19 pandemic had severely impacted on this work and the finances required additional attention. Officers were waiting to find out what funding was available to support Cambridge Live.
- viii. £750,000 had been allocated to cover the cost of bringing Cambridge Live back into the council. Dealing with the deficit on the balance sheet which came into the council and developing structures to improve ways of running the organisation, legal advice, accountancy advice and audit. The money had almost been spent.
- ix. Before COVID-19 the Culture and Community Manager was confident that Cambridge Live was 'back on track'.
- x. Noted the request for the breakdown of how the £750,000 had been spent and what was left and would be given outside of the meeting.
- xi. The crematorium had been significantly impacted by the upgrade of the A14 which had contributed to three quarters of the loss revenue. There was an ongoing claim for loss of income regarding the A14 upgrade.
- xii. Prior to COVID-19 officers had put together a work plan to compete with the new competition, offering a low-cost funeral service and the introduction of a café on site which would increase income and match the competition.
- xiii. £13million of the £27million underspend was in CIP loans with £2.8million in bonds; all of which was for development and outside the council's control. If these figures were taken out of the underspend, the total was still significant but not as large at first glance.

- xiv. There were variables in the open spaces budget each with a specific reason as referenced on p144 of the agenda pack; different businesses had been impacted differently by COVID-19.

The Executive Councillor for Finance and Resource said the following:

- i. The original budget for Environment Improvements was higher and there had been an underspend. Could not comment why it had been reduced as much as it had.
- ii. Further information on Cambridge Live could be read on p142 of the agenda pack. The folk festival did not have the ticket sales anticipated when the council took over and the festival would not be taking place this year.
- iii. Agreed it was not satisfactory that there was an underspend on capital and this needed to be looked into further.
- iv. Expressed thanks to the finance department for compiling such a comprehensive report while all working from home.

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

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

## **20/24/SR Interim Update to Medium Term Financial Strategy**

### **Matter for Decision**

The report presented an overview of the impact of the Coronavirus emergency in the Spring of 2020 on Cambridge City Council's budget for 2020/21. It set out how estimates had been made and the uncertainties within those estimates. It lists the financial support that central government has provided to the council and proposes several actions that the council can take to balance its budget in 2020/21.

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

- i. Note the forecast impact of the Covid-19 crisis on the council's finances.
- ii. Approve changes to the 2020/21 GF revenue and capital budgets as set out in Section 7 and Appendices 1 and 2 of the officer's report.
- iii. Approve the use of earmarked reserves, as set out in Section 7 and Appendix 3 of the officer's report.



- iv. Note the revised savings requirements identified in Section 8 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. Asked what priorities were being set and what the areas were that the council might stop spending on.
- ii. Questioned if the council was looking to make cuts before they were required. What processes were in place to reverse these cuts if government funding came through to the council.
- iii. Questioned what the process for was reviewing the reserve target if required.
- iv. Questioned if funding had been cut in the right areas.
- v. Stated it was clear why some projects had been cancelled, others had been set as lower priority or cut and do not need to be completed this year. However, there needed to be a clear definition between the two as it was not clear for all the projects referenced, the reason why this decision had been taken and by who. This information was required to undertake accurate scrutiny before the next meeting of full council.
- vi. It was important the public sector invested and spent finances to support the local economy especially as there was a prospect of additional government funding designed to support local authorities' loss of income. The council were able to do just this.
- vii. The council had stopped work at a time when the community and local economy needed it most, if the projects stopped it could be too late to reverse the decision.
- viii. Noted there was a few partnerships working projects (notably the Greater Cambridge Partnership) where funding cuts had been made. Questioned if these projects had been postponed as those partners had decided they could not be delivered due to COVID-19, or had they been negotiated with both parties or was it the council's decision.
- ix. Asked for the status on the youth liaison officer.

The Executive Councillor for Finance and Resources said the following in response to Members' questions:

- i. Items that had been retained in the budget were anti-poverty, climate change, biodiversity, homelessness to maintain these services during this difficult time.
- ii. There had been items which had been deferred until the following year as the work could not be carried out during the pandemic; other deferred items had been retained in the budget while others would be considered in the new year if financially viable.
- iii. The next round of government funding which had recently been announced amounted to £500 million for local authorities to cover additional expenditure which met certain criteria. There would not be assistance with property income losses.
- iv. With regards to car parking, the council would have to pay the first 5% of the losses and the government three quarters of the remainder. This could give approximately £2 million if the council met all conditions, however, detailed guidance was not yet available.
- v. Funding from government received on homelessness amounted to £24,750 (additional cost to the council was £1.2million).
- vi. In total a £1.3million grant had been received to date.
- vii. If government funding were more than anticipated, it would be possible to review the council's reserves and adjust the figures again.
- viii. Stated there were far more imponderables on the income side and reminded the committee there would be no assistance with the commercial property incomes. There was a variety of fees across the council which needed to be recovered across the council. It was uncertain if these costs would recover from government and the council would have to pay the first 5%.
- ix. Projects postponed were capital schemes funded from revenue, therefore these could be moved back and forth from one year to the next without much issue if the work could be completed.
- x. Acknowledged there were some climate change and biodiversity items which had been deferred but much of these works could not be restarted this year. The doubling of the wildflower meadows should already be completed.
- xi. The council had planned to spend £100,000 on its tree programme, but this funding had been spread over a longer period.
- xii. As the government had agreed a further tranche of funding to the GCP and the council did not have the financial resources available, it seemed sensible the contribution to the GCP could be reduced without hindering the work they were undertaking.

- xiii. The amount of money that the council allocated to the GCP was related to the new homes bonus which had been reduced.
- xiv. Could not provide a response to the query regarding the youth liaison officer but would ask that this was provided outside of the meeting.

The Committee **unanimously resolved** to:

- i. Note the forecast impact of the Covid-19 crisis on the council's finances.

The Committee **resolved 4 votes to 0** to:

- ii. Approve changes to the 2020/21 GF revenue and capital budgets as set out in Section 7 and Appendices 1 and 2 of the officer's report.

The Committee **unanimously resolved** to:

- iii. Approve the use of earmarked reserves, as set out in Section 7 and Appendix 3 of the officer's report.

The Committee **resolved 4 votes to 0** to:

- iv. Note the revised savings requirements identified in Section 8 of the officer's report.

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.

### **20/25/SR To Note Record of Urgent Decision Taken by the Executive Councillor for Finance and Resources**

**20/25/SRa** Business plans: ICT, Legal and Internal Audit

The decision was noted.

**20/25/SRb** Criteria and process for distribution of the Local Authority discretionary grant under section 31 of the Local Government Act 2003.

The decision was noted.

### **20/26/SR To Note Record of Officer Urgent Decisions**

**20/26/SRa** Amendment of the City Council Tax aggregate amounts

The decision was noted.

**20/26/SRb** Cambridgeshire and Peterborough Combined Authority- Appointment of the Council's substitute member

The decision was noted.

**20/26/SRc** Powers of the Chief Executive, Cambridge City Council-delegation to the Strategic Directors

The decision was noted.

**20/26/SRd** Action to support commercial tenants  
The decision was noted.

**20/27/SR Land purchase / funding opportunity Abbey Ward**

Under 9.4 of Part 4B (Access to Information Procedure Rules), the agreement of the Chair had been sought as the taking of the decisions could not be reasonably be deferred listed for the Executive Councillors for both (i) Finance and Resources and (ii) Housing.

The committee unanimously agreed to exclude the press and public from the meeting following a public interest test under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**Matter for Decision**

The confidential report sought approval to acquire a site for development. The final proposals would be brought to a future meeting of the Housing Scrutiny Committee

**Decision of Executive Councillor for Strategy and External Partnerships**

i. Approved the amended recommendations as outlined in the confidential report and amendment sheet.

**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 and tabled amendment sheet on the size and interest rate on a loan.

The committee discussed the report and amendment sheet.

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

The Executive Councillor for Finance and Resources and the Executive Councillor for Housing approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 9.30 pm

**CHAIR**

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Item

## Cambridgeshire and Peterborough Combined Authority - Update

**To:**

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

Strategy & Resources Scrutiny Committee    5 October 2020

**Report by:**

Andrew Limb, Head of Corporate Strategy

Tel: 01223 457004    Email: Andrew.Limb@cambridge.gov.uk

**Wards affected:**

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

### Not a Key Decision

#### 1. Executive Summary

- 1.1 This is a regular report to provide an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) Board since the 6 July 2020 meeting of Strategy & Resources Scrutiny Committee.

#### 2. Recommendations

- 2.1 The Executive Councillor is recommended:

To provide an update on issues considered at the meetings of the Combined Authority Board held on 5 August and 30 September 2020.

### **3. Background**

- 3.1 Meetings of the Cambridgeshire and Peterborough Combined Authority Board were held on 5 August and 30 September 2020. The decision sheets from the meetings are attached as Appendices A and B for the committee's consideration.

### **4. Implications**

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

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

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

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

- (g) **Consultation and communication**

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

### **5. Background papers**

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

### **6. Appendices**

Appendix A Decision sheet for CPCA Board meeting 05.08.20

Appendix B Decision sheet for CPCA Board meeting 30.09.20 (to follow)

### **7. Inspection of papers**

To inspect the background papers or if you have a query on the report, please contact: Andrew Limb, Head of Corporate Strategy, tel: 01223 457004, email: Andrew.Limb@cambridge.gov.uk.





		<p>that it would be in order for her to present the report to the Board.</p> <p><b>Councillor Holdich made a declaration of interest in relation to Item 5.1: University of Peterborough Full Business Case. He had taken advice from the Monitoring Officer and confirmed that it would be in order for him to remain in the meeting for consideration of this item and vote.</b></p>
1.2	Minutes of the Combined Authority Board meeting 3 June 2020	<b>The minutes of the meeting on 3 June 2020 were approved as an accurate record, subject to a minor amendment to minute 536: Complaints Policy.</b>
1.3	Petitions	None received
1.4	Public Questions	<p>One question was received from Mr Michael Page on Item 3.2: Proposal for a Corporate Vehicle to bring forward the Cambridgeshire Autonomous Metro (CAM) and one from Councillor Tim Wotherspoon on Phase 2 of the Non-Statutory Strategic Spatial Framework. The questions can be viewed in full at:</p> <p><a href="https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1979/Committee/63/SelectedTab/Documents/Default.aspx">https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1979/Committee/63/SelectedTab/Documents/Default.aspx</a></p>
1.5	Forward Plan	<p>It was resolved to:</p> <p>Approve the Forward Plan.</p>

1.6	Membership of the Combined Authority Board and Committees 2020-21 - Update	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) appoint the Members and substitute Members nominated by constituent councils to the Combined Authority Board, Executive Committees, Business Board, Overview &amp; Scrutiny Committee and Audit &amp; Governance Committee for the municipal year 2020/2021 (Appendix 1);</li> <li>b) Note the named representative and substitute representative for each organisation as set out in the report.</li> </ul>
1.7	Registered Office Change - Cambridgeshire and Peterborough Combined Authority Companies	<p>It was resolved to:</p> <p>Note the change of the registered office of the Cambridgeshire and Peterborough Combined Authority and its subsidiary companies.</p>
1.8	Annual Report of the Chair of Audit and Governance 2019-20	<p>It was resolved to:</p> <p>Note the Annual Report of the Chair of Audit and Governance Committee for 2019/20 (Appendix 1) and provide any feedback to the Committee.</p>
1.9	Overview and Scrutiny Committee Annual Report 2019-20	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Note the Annual Report of the Chair of the Overview and Scrutiny Audit and Governance Committee for 2019/20 (Appendix 1) and provide any feedback to the Committee.</li> <li>b) Consider the recommendations of the Bus Review Task &amp; Finish Group approved by the Overview &amp; Scrutiny Committee at its meeting on 24 April 2020 and provide a response within two months of receipts of the these recommendations as per the Constitution of the Combined Authority. The response should indicate what (if any) action the Combined Authority or the Mayor proposes to take and publish such response.</li> <li>c) Note the recommendations of the CAM Task &amp; Finish Group to the Overview &amp; Scrutiny Committee.</li> </ul>

<b>Part 2 – Finance</b>																				
2.1	Budget Monitor Update	<p>It was resolved to:</p> <p>a) Note the revised budget for the 2020-21 financial year.</p> <p>b) Note the reduction in expected costs for the Garden Villages project in 2020-21 per paragraph 3.7.</p>																		
<b>Part 3 - Combined Authority Decisions</b>																				
3.1	£100m Affordable Housing Programme Proposed Variations to Schemes that form investments from the £40m revolving fund	<p>It was resolved to:</p> <p>Approve variations to schemes that form investment from the £40m revolving fund, specifically approval of changes to the terms and conditions of pre-existing loans in response to the impacts of COVID 19 as shown in a) to d) below;</p> <p>a) Approve extensions to the duration of the existing facility agreements with Laragh Homes and The East Cambridgeshire Trading Company as shown in the table below:</p> <table border="1"> <thead> <tr> <th>Scheme Name</th> <th>Borrower</th> <th>Proposed extension to facility agreement in months</th> </tr> </thead> <tbody> <tr> <td>Haddenham CLT (Loan)</td> <td>ECTC</td> <td>24</td> </tr> <tr> <td>Ely MOD Site (Loan)</td> <td>ECTC</td> <td>20</td> </tr> <tr> <td>Alexander House Ely (Loan)</td> <td>Laragh Developments</td> <td>4</td> </tr> <tr> <td>Linton Road, Great Abingdon (Loan)</td> <td>Laragh Developments</td> <td>6</td> </tr> <tr> <td>Histon Road (Loan)</td> <td>Laragh Developments</td> <td>7</td> </tr> </tbody> </table>	Scheme Name	Borrower	Proposed extension to facility agreement in months	Haddenham CLT (Loan)	ECTC	24	Ely MOD Site (Loan)	ECTC	20	Alexander House Ely (Loan)	Laragh Developments	4	Linton Road, Great Abingdon (Loan)	Laragh Developments	6	Histon Road (Loan)	Laragh Developments	7
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Linton Road, Great Abingdon (Loan)	Laragh Developments	6																		
Histon Road (Loan)	Laragh Developments	7																		

- b) Approve the grant of interest free periods with Laragh Homes and The East Cambridgeshire trading company as shown in the table below:

<b>Scheme Name</b>	<b>Provider / Lead Partner</b>	<b>Interest free period in months</b>	<b>Starting from</b>
Haddenham CLT (Loan)	ECTC	24	01/04/2020
Ely MOD Site (L, Cambridge loan)	ECTC	6	01/08/2020
Alexander House Ely (Loan)	Laragh Developments	2	01/08/2020
Linton Road, Great Abingdon (Loan)	Laragh Developments	3	01/08/2020
Histon Road, Cambridge (Loan)	Laragh Developments	5	01/08/2020

- c) Interest free periods referred in b) above will be subject to a 'clawback' provision. Upon a final project reconciliation between the borrower and CPCA, the interest forgone through the interest free period will be recovered on a sliding scale if at the end of the project the actual profit is above the revised profit now being forecast for each project as a result of the Covid-19 impact.
- d) Increase the permitted number of drawdowns in each facility agreement to reflect the longer term of each loan facility.
- e) The Director of Housing and Development to be given authority to document the variations to the facility agreements as outlined in a)- d) above and undertake the end of project reconciliation/s assessing the potential recovery of the benefit of the interest free period against final project profit outcome for each project.

<p>3.2</p>	<p>Proposal for a Corporate Vehicle to bring forward the Cambridgeshire Autonomous Metro (CAM)</p>	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve the incorporation of the CAM SPV.</li> <li>b) Appoint the following interim directors until the confirmed appointment of the members of the Board, following an external recruitment process: <ul style="list-style-type: none"> <li>Kim Sawyer, Chief Executive</li> <li>John Hill, Chief Executive</li> <li>Jon Alsop, Chief Finance Officer</li> </ul> </li> <li>c) Approve the company Articles.</li> <li>d) Approve the proposed process for recruitment of the Board members, at Appendix 7, and note the expected levels of remuneration as set out in paragraph 6.9.</li> <li>e) Note the corporate support to be provided by the CPCA to the SPV.</li> <li>f) Approve the Mayor as representative of the CPCA as non-voting shareholder director to attend the interim and substantive Board.</li> <li>g) Note and approve the proposed governance structures and committees of the CAM SPV at Appendix 4.</li> <li>h) Approve the draft initial Business Plan in the confidential Appendix 6, and request that a further report be brought back to the September meeting of the Combined Authority Board seeking approval for: <ul style="list-style-type: none"> <li>a. The initial Business Plan</li> <li>b. The initial equity investment</li> <li>c. The proposed board members and chair</li> <li>d. The Shareholder and SPV Agreement</li> </ul> </li> </ul>
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		<ul style="list-style-type: none"> <li>i) Note and approve the mobilisation expenditure and approve the drawdown of £1,400,000 from the Medium-Term Revenue Financial Plan to progress the consultancy work set out in section 5.</li> <li>j) To approve the £1m Equity Investment in the CAM SPV from Capital Gainshare as set out in the Medium Term Financial Plan.</li> <li>k) Subject to the approval of the Local Growth Fund application for £1m, to approve the use this to take an equity subscription of shares in the CAM SPV.</li> </ul>
3.3	A10 Junctions and Dualling	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve the Strategic Outline Business Case and agree in principle to proceed to Outline Business Case, subject to the outcome of funding discussions with the Department for Transport;</li> <li>b) Note the views of residents and businesses in response to the Virtual Public Exhibition.</li> </ul>
3.4	A141 Huntingdon Capacity Study and Third River Crossing	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Note the outcomes of the A141 and Huntingdon Third River Crossing Study.</li> <li>b) Approve the drawdown of budget of £350,000 for undertaking a Strategic Outline Business Case for the A141.</li> <li>c) Approve the drawdown of budget of £500,000 from the Subject to Approval budget within the Medium-term Financial Plan for undertaking a Strategic Outline Business Case and further develop a package of Quick Wins.</li> </ul>

3.5	Market Towns Programme - Approval of Masterplans for East Cambridgeshire (Ely, Soham and Littleport)	<p>It was resolved to:</p> <p>Approve the East Cambridgeshire Market Town Masterplan Action Plans produced for Ely, Soham, and Littleport.</p>
3.6	Ox-Cam Arc Representation	<p>It was resolved to:</p> <p>a) Note the Combined Authority's status as the Arc Growth Board for Cambridgeshire and Peterborough.</p> <p>b) To nominate the Leaders and substitutes listed at paragraph 4.2 to the Arc Leadership Executive:</p> <ul style="list-style-type: none"> <li>• The Mayor</li> <li>• Leader of Cambridgeshire County Council (substitute Cllr Roger Hickford)</li> <li>• Leader of South Cambridgeshire District Council (substitute Cllr Lewis Herbert)</li> </ul>
<p><b>By Recommendation to the Combined Authority</b></p> <p><b>Part 4 – Transport and Infrastructure Committee Recommendations to the Combined Authority Board</b></p>		
4.1	A1260 Junction 15 Transport Study - Outcomes of Outline Business Case	<p>It was resolved to:</p> <p>Approve for the drawdown of £470,000 from the Medium-Term Financial Plan to produce the Full Business Case and detailed design.</p>
4.2	A1260 Junction 32 33 Transport Study - Outcomes of the Outline Business Case	<p>It was resolved to:</p> <p>Approve the drawdown of £500,000, from the Medium-Term Financial Plan to produce the Full Business Case and detailed design.</p>



4.3	March Area Transport Strategy Progress Report	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve commencement of the Outline Business Case and preliminary design.</li> <li>b) Approve the drawdown of £1.0m for production of the Outline Business Case and preliminary design.</li> </ul>
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### By Recommendation to the Combined Authority

#### Part 5 – Skills Committee Recommendations to the Combined Authority Board

Page 41	5.1 University of Peterborough Full Business Case	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve and adopt the Full Business Case to mobilise the creation of Phase 1 of the new University of Peterborough project.</li> <li>b) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Monitoring Officer and the Chief Financial Officer (Section 73), to develop the following key documents for the Special Purpose Joint Vehicle: <ul style="list-style-type: none"> <li>1) Prop Co Articles of Association.</li> <li>2) Collaboration Agreement.</li> <li>3) Cambridgeshire and Peterborough Combined Authority Services Agreement.</li> <li>4) Shareholder's agreement.</li> </ul> </li> </ul>
5.2	Integrated Economic, Business and Skills Insight Programme	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve the consolidation of the Small and Medium Sized Enterprises (SME) Observatory budget and the Local Growth Fund (LGF) Top Slice and Department for Business, Energy and Industrial Strategy Support Funding as detailed in Table 1, to resource the commissioning.</li> <li>b) Approve the consolidation of the Adult Education Budget Programme costs, National Retraining scheme and Apprenticeships as detailed in Table 2, to resource the commissioning.</li> </ul>

5.3	Careers and Enterprise Company Review	<p>It was resolved to:</p> <p>Note the Annual Review report.</p>
5.4	Growth Company Corporate Governance	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve the business case in Appendix 1.</li> <li>b) Approve the business plan in Appendix 2.</li> <li>c) Approve the composition of Growth Co Board of Directors to include an independent director.</li> <li>d) Delegate authority to the Director of Business and Skills to approve the appointment of the Independent Director for the Growth Co, following an open and transparent recruitment process.</li> <li>e) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Section 73 Officer and the Monitoring Officer, to develop the necessary legal documentation for the Growth Co.</li> <li>f) Approve the execution of the deed adherence and accession, contained within the shareholder agreement for Angle Holdings Ltd.</li> </ul>
<b>By Recommendation to the Combined Authority</b>		
<b>Part 6 – Business Board Recommendations to the Combined Authority Board</b>		
6.1	Accelerated 2021 Local Growth Funding Allocated to the Cambridgeshire and Peterborough Combined Authority Business Board	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Note the Mayoral Decision on [date], on the recommendation of the Business Board, to formally accept the allocation of £14.6million accelerated Local Growth Funding from the Cities and Local Government Unit on behalf of the Combined Authority;</li> <li>b) Note the plan to deploy the awarded accelerated Local Growth Funding to the Business Board’s No1 ranked priority project: Greater Peterborough Innovation</li> </ul>

		Ecosystem, subject to it successfully completing the Local Assurance Framework application process including ratification by the Combined Authority Board.
6.2	Growth Deal Project Proposals July 2020	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve funding for the project numbered 1, in table 2.11 based on the project achieving the highest scoring criteria and external evaluation recommendation.</li> <li>b) Approve a revised grant funding offer of £2,500,000, for the project numbered 2 in table 2.11 based on the project achieving the second highest scoring criteria and external evaluation recommendation.</li> <li>c) Decline project numbered 3 in table 2.11 based on the scoring criteria and this being the lowest scoring project.</li> </ul>
6.3	Local Growth Fund Programme Management July 2020	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Note all of the programme updates contained in the report to the Business Board on 27 July 2020.</li> <li>b) Approve the change request for the Wisbech Access Strategy Project.</li> </ul>
6.4	Eastern Agri-Tech Growth Initiative Funding Review - July 2020	<p>It was resolved to:</p> <ul style="list-style-type: none"> <li>a) Approve a change in the criteria for the Eastern Agri-Tech Growth Initiative scheme, raising the grant intervention rate from 25% to 50% on the Growth Grant part of the scheme.</li> <li>b) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, to make any further changes in criteria or operation of the scheme to ensure all funds are awarded by end of March 2021.</li> </ul>

**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](mailto:Richenda.Greenhill@cambridgeshire.gov.uk) or on 01223 699171.

Item

## **ANNUAL COMPLAINTS AND FEEDBACK REPORT 2019-20**

**To:**

The Executive Councillor for Finance & Resources: Councillor Mike Davey  
Strategy and Resources Scrutiny Committee – 5 October 2020

**Report by:**

Tony Stead, Business & Development Manager, Customer Services

**Wards affected:**

All

### **1. Introduction / Executive Summary**

- 1.1 This report provides an analysis of the complaints and compliments received by the Council during 2019/20 under the Corporate Complaints, Compliments and Comments procedure.
- 1.2 The purpose of the report is to identify topics and trends in relation to complaints; identify areas of organisational learning that have taken place over the past year as a result of the complaints received and make further recommendations based on trend data to improve services.
- 1.3 The report also highlights those areas of good practice within the Council and seeks to identify themes and trends in relation to comments made by members of the public so that the Council can also take action where appropriate to improve services

## **2. Recommendations**

### **2.1 The Executive Councillor for Finance and Resources to:**

- Consider the draft Annual Complaints Report for 2019/20, and approve for publication on the Council's website.

## **3. Background**

- 3.1 The City Council has been recording information about complaints for the last 15 years and trend data is included in the report from 2017 onwards. In 2019/20 the Council received 1145 complaints compared with 1161 in the previous year.
- 3.2 For context, the Council's Customer Service Centre received 210,000 phone and electronic contacts, and 56,000 face to face contacts, during 2019/20.
- 3.3 While a number of services saw a fall in the number of complaints received (including a 24% fall in complaints to the Shared Waste Service), others (notably the Greater Cambridge Shared Planning Service and Estates and Facilities) saw an increase. The reasons and responses are set out in the Head of Service commentaries in the report.
- 3.4 During the year, the Council also brought the cultural service, Cambridge Live, back in house, and this accounted for 81 complaints which would not have been counted against the City Council total in previous years.
- 3.5 Two complaints were upheld by the Local Government & Social Care Ombudsman from a total of 13 enquiries. The number upheld, and the number of enquiries to the Ombudsman, is comparable to previous years. The [LGSCO's annual letter](#) to the City Council is available online, and will be published on our website alongside this Annual Complaints Report.
- 3.6 The report includes:
- A summary of complaints received, their trends and action taken
  - Details of compliments and comments

- Complaints investigated by the Independent Complaints Investigator
- Complaints escalated to the Local Government Ombudsman
- Complaints relating to conduct of councillors

- 3.7 As well as complaints the Council also received 164 compliments and 7,993 positive comments about the Council's services and staff through the GovMetric system (around 59% of the total 13,593 instances of feedback received by the Council through that system). A section on compliments is included in the report because knowing where things are working well and are appreciated is as important as knowing where things are not working well.
- 3.8 Subject to approval by the Executive Councillor, officers will finalise and publish the report on the Council's website with hard copies being made available on request.

## **4. Implications**

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

*Page: 3*

The time and resources spent on responding to complaints is a not insignificant cost to the Council. Our aim is to get things right first time as often as we can.

### **(b) Staffing Implications**

None

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

Analysis and action taken as a result of complaints has an important role to play in ensuring that our services are accessible to all those who wish or need to use them and, that as far as possible, we are able to respond flexibly to the differing needs of our citizens and visitors.

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

None

### **(e) Procurement Implications**

None

### **(f) Community Safety Implications**

None

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

The Annual Complaints Report will be published on the Council's website.

## **6. Background papers**

Background papers used in the preparation of this report:

- (a) Departmental Quarterly Monitoring Reports 2019/20
- (b) LGSCO's Annual Letter to Cambridge City Council

## **7. Appendices**

- (a) Draft Annual Complaints Report 2019/20

## **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Tony Stead, Business and Development Manager, tel: 01223 - 457501, email: [Tony.Stead@cambridge.gov.uk](mailto:Tony.Stead@cambridge.gov.uk).





# Cambridge City Council

## Annual Complaints and Feedback Report

2019 - 20

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## Cambridge City Council's Annual Complaints Report - Introduction

Every year Cambridge City Council publishes an Annual Complaints Report, which gives an overview of the complaints the Council has received and how we have dealt with them, though we do not publish names or other personal details of people who have complained.

Cambridge City Council welcomes customer feedback, to help us to identify and address problems for customers, and to improve our services. This report shows how we have increased customer feedback about services and how we are responding to complaints.

### Why we produce this report

- To learn from our mistakes so that we can improve our services.
- To encourage people who have cause to complain to make comments and suggestions to help us make these improvements.
- To show how we've responded to complaints and what we've done to try to put things right.
- To publicise and explain our complaints process.

### Our Complaints Procedure

#### What is a complaint?

A complaint can be wide ranging, but can be defined as an expression of dissatisfaction with the service provided, or lack of action by the Council, or its staff. This can include failure to achieve specific standards of service.

It should be highlighted that issues brought to the Council for the first time, are dealt with as a request for service and so are not processed as a formal complaint. However service requests can then escalate into a stage 1 complaint if the customer is further unsatisfied. This may occur from delays in response or dissatisfaction with staff behaviour or policies.

Customers complain to the Council if they:

- Are unhappy about something we have or haven't done.
- Are not satisfied with the way a member of staff has treated them.
- Are not happy with the way a councillor has treated them.

During 2019/20, Cambridge City Council had a three stage complaints process:

**Stage One:** An issue raised by a complainant which is escalated beyond a service request for the first time.

**Stage Two:** Internal review of a complaint where the complainant is unsatisfied with the response to their complaint or the way in which the complaint has been handled, and they wish for their complaint to be considered further.

**Stage Three:** Review by an Independent Complaints Investigator, where the complainant remains unsatisfied with the internal process and wish to take their complaint further.

The **Local Government Ombudsman (LGO)** is the final stage - the person affected must have gone through our complaints process before going to the LGO for an independent review.

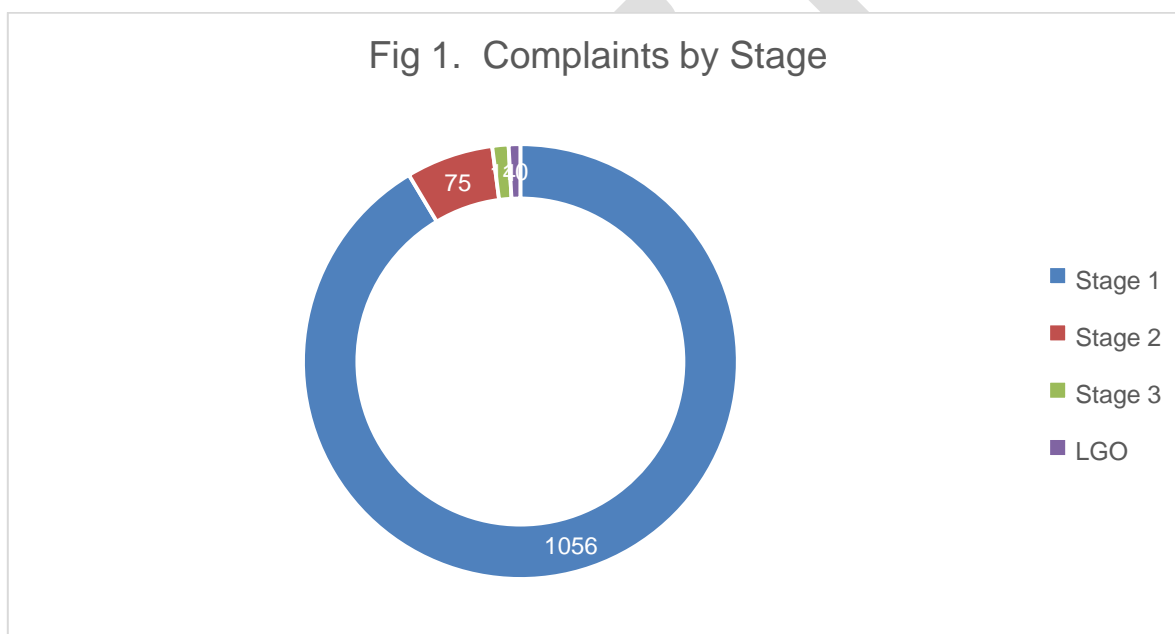
## Complaints to Cambridge City Council in 2019-20: summary

In 2019-20, the total number of complaints dropped slightly compared to the previous year, by 16 down from 1161 to 1145.

Of those 1056 complaints, 92% were resolved successfully at the first stage without need for escalation. This compares with 89% in 2018-19, and 91% in 2017-18.

75 complaints were escalated to stage two, and a further 14 were escalated to the Independent Complaints Investigator. See Fig 1 below.

Across all complaints submitted, 81% were resolved within the target time of ten working days. This represents an improvement on previous years, where 76% were responded to within time in 2018-19, and 68% in 2017-18.



### Breakdown of complaints by service

398 (35%) of all complaints received by the Council were for Waste Services. This represented a decrease of 149 from the 526 complaints (45% of the total) received in 2018-19. 45% of these complaints related to missed bin collections, compared to 69% in the previous year.

The number of complaints increased compared to the previous year for Estates and Facilities, Community Services and the Greater Cambridge Shared Planning Service.

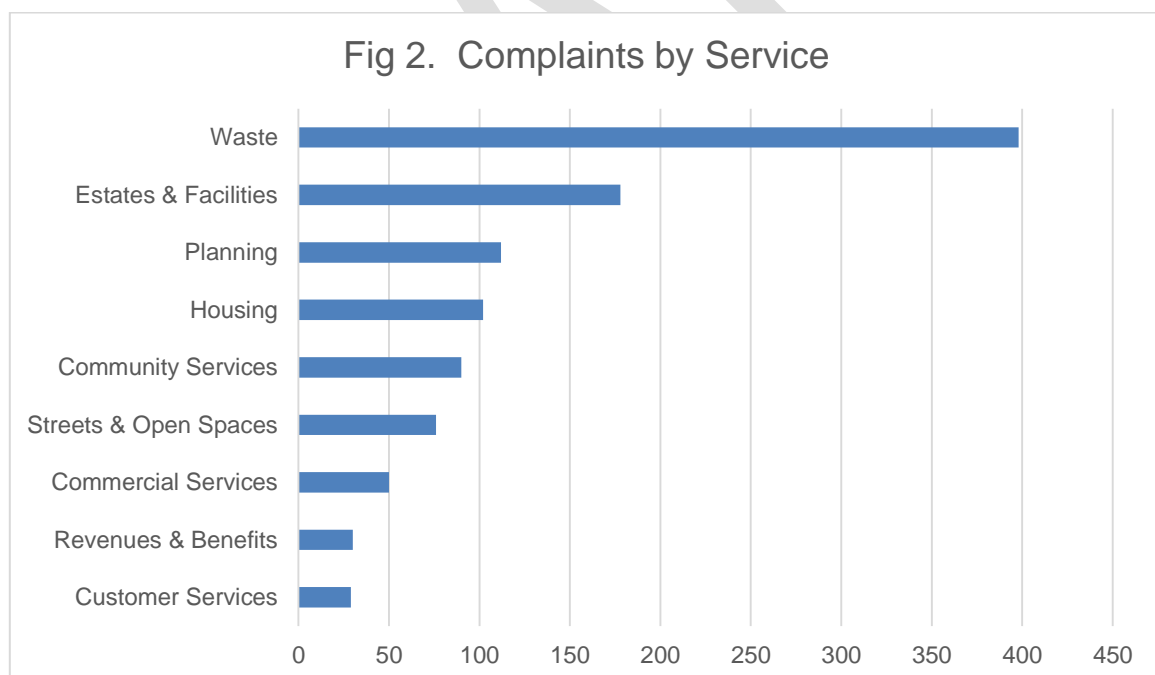
The rise in complaints to Community Services was related to Cambridge Live coming back into the City Council under Community Services' remit. This brought not only the sheer volume of business and customer interactions that Cambridge Live generates into the Council's responsibility, but also the challenge of integrating complaints management in that operation back into City Council systems, policy and procedure.

The Greater Cambridge Shared Planning Service (GCSPS) has seen a number of changes in recent years with its transition to a shared service with a new management structure and new systems, policies and procedures. For instance, it was identified during training with the team that complaints were not always being recorded formally and were sometimes being resolved informally by planning officers – they are now being more consistently recorded and managed.

Moreover, the GCSPS had significant staffing challenges in the year, with the consequence of some planning applications being handled less promptly, and/or by less experienced or temporary staff, sometimes not to customers' satisfaction.

With this now being addressed (following recent successful recruitment campaigns bringing in more (and more experienced) permanent staff, the Greater Cambridge Shared Planning Service is expecting to see a reduction in the number of complaints it receives, and an improvement in the way that they are handled, during the 2020/21 year.

A comparable process has been seen in Estates and Facilities, whereby complaints are being recorded more consistently in the complaints system now following a managerial review which has also sought to address the performance (primarily timeliness) issues which had been generating complaints.



## **Independent Complaints Investigator (ICI)**

14 new complaints were submitted to the ICI in 2019-20. Of these complaints, 9 were investigated and of these 2 were partially upheld. (See page 32 for more detail).

Following research conducted by the Council's Strategy & Partnerships Manager, and presentation to Civic Affairs Committee in October 2019, it was agreed to remove stage three from the City Council's complaints policy. This change brings the Council further in line with colleagues in neighbouring and comparable authorities who also generally have two stage complaints processes.

## **Local Government Ombudsman (LGO)**

13 complaints were made to the Local Government Ombudsman. Of these, four were investigated and, of those, two were upheld. (See pages 34-35 of this report for more detail).

## **Reporting, monitoring and driving service improvement**

The City Council's managers work hard to understand the reasons for the complaints, and where a consistent theme or issue has been established, have taken action to prevent the poor service that triggered those complaints from being repeated. We continue to work hard to deliver high quality services to all residents and customers and welcome all feedback on our services and suggestions for improvement.

The Lead Complaints Officer reviews data on a monthly and quarterly basis to establish themes and trends. This data is reported on a quarterly basis to Directors and Heads of Service to prompt reflection on what services needs to do to improve, change or prevent a reoccurrence. Particular attention is focused on responding appropriately to complaints first time and reducing complaints being escalated to the higher stages. The reason for escalation has sometimes in the past been due to the complaint involving more than one council service at stage one.

## **Customer contacts with the City Council - overview & context**

During 2019/20 over 210,000 telephone and electronic contacts were received and over 56,000 face to face visits recorded at the Customer Service Centre. Around 149,000 contacts were handled by the Councils Interactive Voice Response system. Of these, over 37,000 contacts had their enquiry resolved by the system. The number of complaints is relatively low in relation to the overall volume of customer contacts received by Council services.

In 2019-20 the Council received 164 compliments via Complaints Tracker. We also received 7993 positive comments through GovMetric, our customer satisfaction rating system. This amounts to around 59% of the total 13,593 instances of feedback received by the Council through that system.

## Review of process and improvement activity in 2019/20

To become more robust within our own process, and ensure escalations were minimised by resolving more cases at the first stage, the Customer Services Business and Development team refreshed officers' knowledge within all service areas on how to use the Complaints Tracker system; and arranged training from the Local Government Ombudsman's office for the managers who deal with most complaints. This training focussed on how to investigate and respond to a case thoroughly. Two sessions were held early in 2020, with 15 attendees on each course.

### How complaints were received

Year	Email & Web	Telephone	Face to Face	Letter
2019-20	89%	8%	2%	1%
2018-19	80%	14%	4%	2%
2017-18	86%	6%	4%	2%

The majority of complaints were received in writing, predominantly via customers submitting their complaints themselves. 73% of complaints were logged by members of the public using the web form to report directly into the Council's Complaints Tracker, which is an increase on 62% from last year. Work to integrate the complaints system with the online customer portal is. The intention of this is to see a further increase in the proportion of complaints submitted online.

### Compliments

In 2019-20 the Council received 164 compliments across all services via Complaints Tracker a slight increase compared to previous years.

As with previous years, Customer Services and Streets & Open Spaces received the highest number of compliments, with the majority relating to helpful staff members.

Officers were encouraged during training late in the year to formally record compliments more regularly going forward, as managers had mentioned more than once that the number of compliments formally recorded was lower than expected.

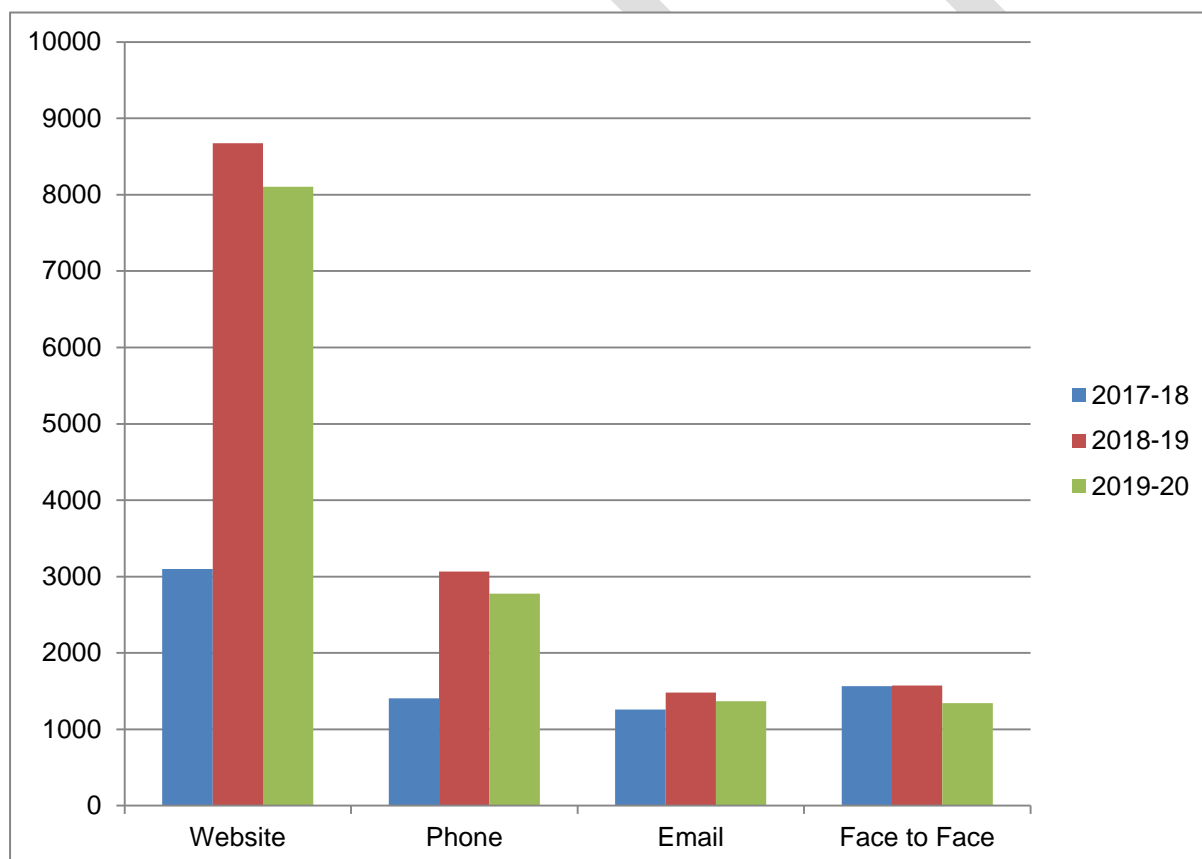
## GovMetric - Customer Feedback System

GovMetric was introduced by Customer Services some years ago to monitor feedback and measure improvement. The tool allows us to record how the feedback was received, ratings of good, average or poor can be selected by customers. They are also able to select service areas/departments and give more specific detail about their experiences.

We currently use GovMetric to monitor feedback from face to face visits to the Customer Service Centre at Mandela House reception and via e-mails and incoming calls to the Customer Service Centre.

### Total Feedback via GovMetric 2017-2020

The below graph shows the total amount of feedback received by channel in comparison to the previous two years. The table on the next page gives percentages of good, neutral and negative feedback.





## GovMetric feedback ratings by channel, 2017 – 2020

Channel	Date	Total	Good %	Average %	Poor %
Phone	2019-20	2775	89%	9%	2%
	2018-19	3067	88%	9%	3%
	2017-18	1405	82%	12%	6%
Face to Face	2019-20	1345	77%	10%	13%
	2018-19	1572	81%	8%	11%
	2017-18	1567	76%	10%	14%
Email	2019-20	1369	61%	16%	22%
	2018-19	1482	49%	21%	30%
	2017-18	1259	57%	16%	27%

### GovMetric Feedback received at the Customer Service Centre

The number of customers providing feedback by telephone in 2019-2020 were at a similar level with the previous year. 89% of customers giving feedback by phone rated the service they received as Good and only 2% of customers gave a Poor rating demonstrating that customers continue to appreciate the service they are receiving from Cambridge City Council.

Customer Services continue to monitor the specific comments given by customers when they submit their feedback. Automatic reports have been set up to highlight the positive comments received from customers, these go to individual advisors showing the number of positive feedback results they have achieved, and these are well received by the team.

The feedback we receive from face to face enquiries also shows that customers value our service, with 77% of customers rating the service as good. This is a slight decrease from 2018-2019 and reflects the change in customer base. We have seen an increase in housing related face to face queries which are complex, requiring escalations to service areas for resolution.

Feedback on email communications has improved markedly in 2019-2020 with 61% of customers rating their response as Good compared with 49% in 2018-19.

### GovMetric Feedback received via the council's website

Channel	Date	Total	Good %	Average %	Poor %
Web	2019-20	8104	45%	13%	42%
	2018-19	8674	35%	14%	51%
	2017-18	3099	38%	15%	47%

The webteam check Govmetric comments, and where possible make amendments to the website to improve it. From recent feedback, the team have made content improvements to make information easier to understand, and checked 3<sup>rd</sup> party systems for errors. The team also fixes any broken links identified if we have not already picked them up.

Positive feedback has increased and negative feedback decreased, some of which will hopefully be a result of the web team's work to improve the website, for example the bin calendar. As customers can also use the GovMetric web function to leave feedback on services, this suggests overall customer satisfaction has improved.

A significant amount of Govmetric feedback at the end of the year was regarding changes to council services due to the coronavirus, for example a number of customers wanting to express concern about the green bin rounds being suspended. As with previous years, negative feedback often is service related, rather than relating to the website itself. For example this may be customers notifying the council of missed bins, or asking why they can't talk to someone at the weekend.

## **Service-by-Service Complaint Trends and Management Response**

Each council department reviews the complaints and compliments it receives on a quarterly basis. This enables services to identify if there are any trends in the types of complaint being made or the services that complaints are being made about. As a result, changes are made to services and how they are provided.

The next section of this report details comments from Services on actions they have taken to prevent, improve or change as a result of the feedback received in 2019-20. The total figure in the first column is the sum of Stage 1, 2 and ICI complaints.

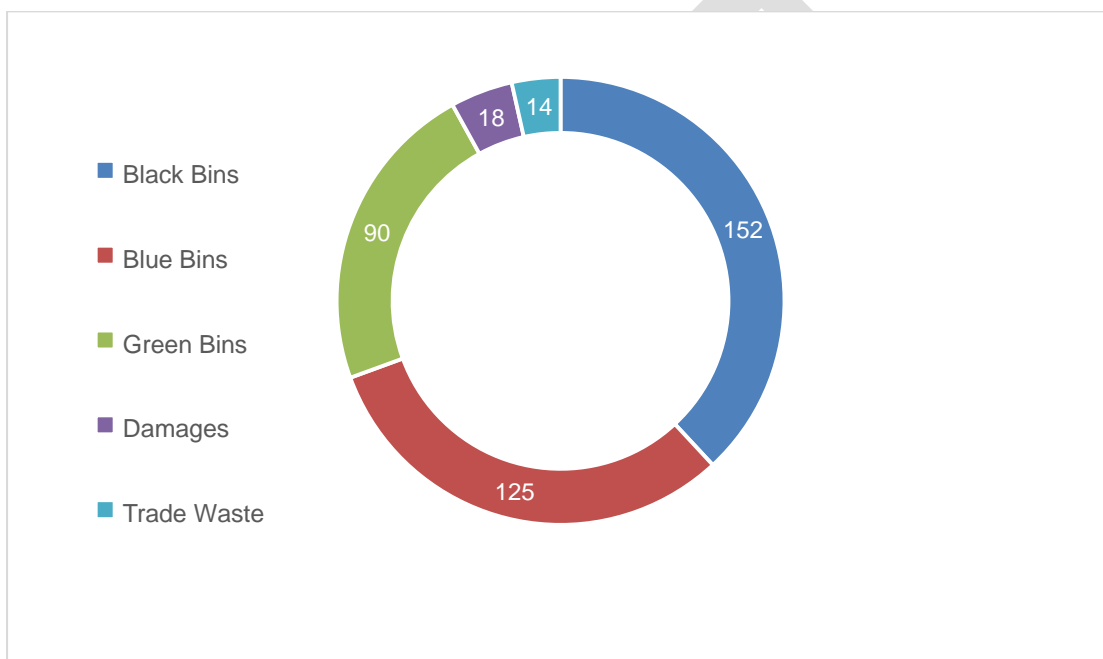
Complaints by sub-service are identified in the pie chart, this is how a service is broken down into the individual service request areas within. The bar graph displays resolution themes, or where these themes are too diffused and a trend cannot be identified, the bars will display root causes.

A resolution theme is the service specific content of the complaint (missed bin for example), whereas a root cause is a reason for the complaint which is generic across all services (service delivery failure).

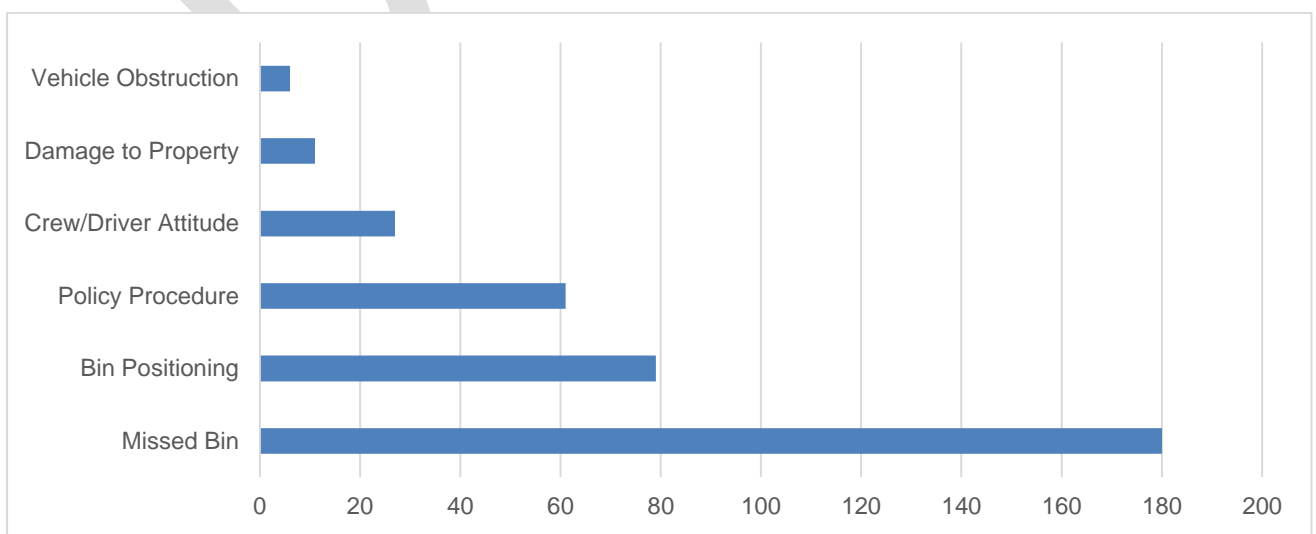
## Greater Cambridge Shared Waste Service

Waste	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	398	16	-	82%	9	13
2018-19	526	31	1	69%	14	3
2017-18	254	11	-	51%	7	3

### Greater Cambridge Shared Waste: Cases by sub-service



### Greater Cambridge Shared Waste: Resolution Theme



# Greater Cambridge Shared Waste - Service Comments

***From Trevor Nicoll, Head of Greater Cambridge Shared Waste Service:***

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The Shared Waste Service undertakes in the region 675,000 collections per month, collecting 3 bins per household per fortnight, or approximately 316,300 bin collections per month within the City. The service has increased the number of successful collections to over 99.82%.

In 2019-20, the service recorded 6,999 bins that were not collected on schedule for various reasons – two thirds of these are outside the control of the service such as blocked roads, vehicle breakdowns, or issues where the bin has not been put out for collection. However, these are normally collected within 24 hours. This number of missed bins was up from 6,234 recorded in 2018-19, and this increase was mainly down to a couple of days during last year's summer heatwave.

Of the 6,999, 2,653 were reported to the Council and dealt with appropriately as "service requests".

The total number of recorded complaints for the service (including complaints relating to bin collections) fell from 526 in 2018-19 to 398 in 2019-20.

The service has work hard to reduce the number of complaints and the speed in resolving comments over the last year. This has involved all collection staff and managers undertaking customer service training, with a focus of putting the resident to the centre of our operations. Managers have also undertaken additional training to ensure that they respond to complaints more rapidly and to a higher standard, thus reducing complaints escalating to stage 2. This had led the service resolving all 82% of complaints within target and only 4% of complaints being escalated.

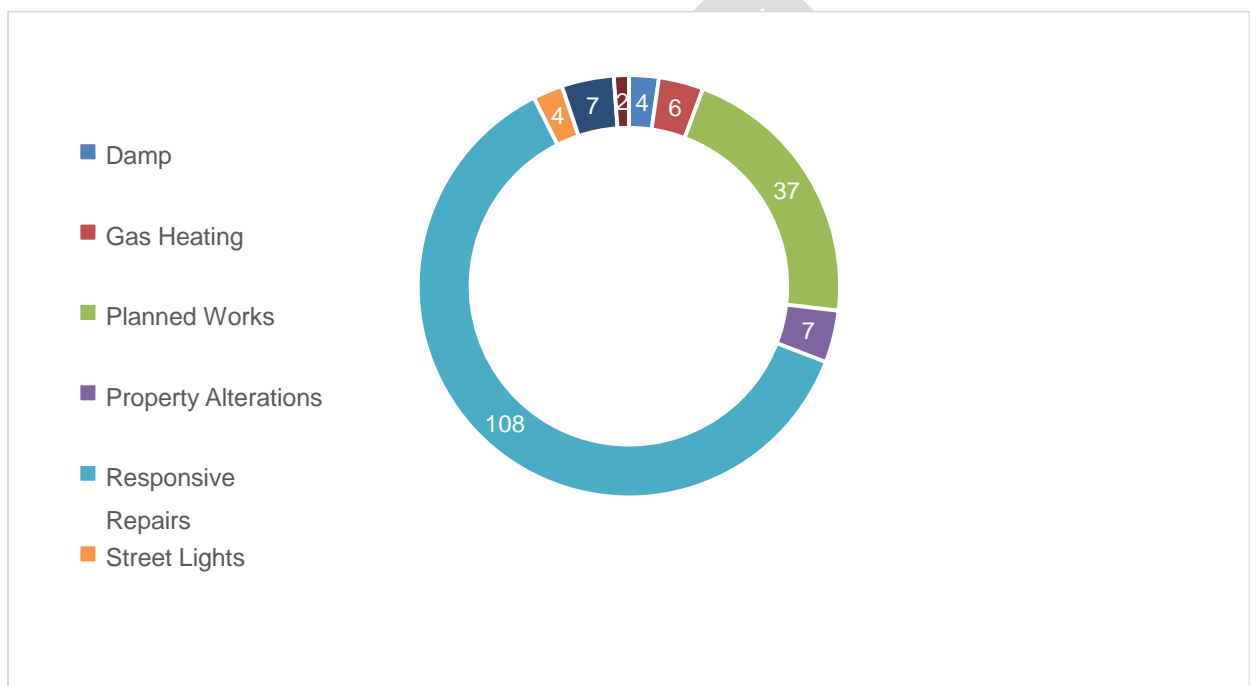
The service was very pleased to see a noticeable increase in the number of formal compliments this year. The service was pleased to see the number of informal thanks and praise received both in writing and directly to collection staff explode during March 2020 in relation to continuing to provide a service, even though reduced, during the earlier days of Covid-19 lockdown. Due to the nature that these were received it was not possible to log them, however they have been reproduced on the sides of two of our collection vehicles.

Complaints are currently running at around 1.5 per working day, generated from collecting in the region of 14,600 bins each day. Given that some complaints are generated by circumstances beyond our control such as traffic and street layout, I would anticipate this level of complaints may continue. The service remains committed to responding to complaints on time and to a satisfactory standard, and to reducing the number of complaints as far as possible.

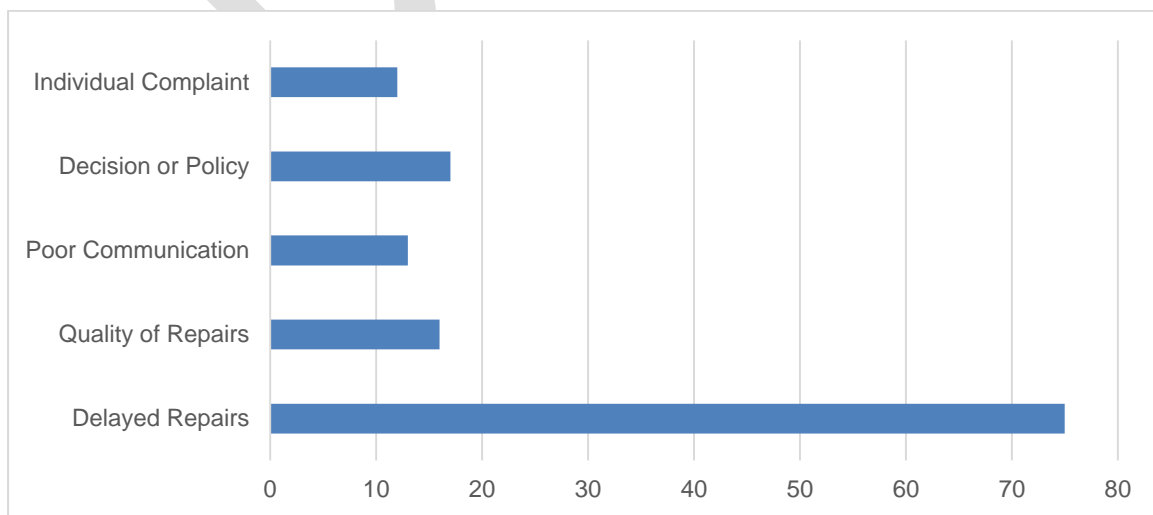
## Housing Maintenance & Assets

Waste	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	175	14	2	95%	11	12
2018-19	124	8	2	58%	28	6
2017-18	89	4	1	43%	11	4

### Housing Maintenance: Cases by sub-service



### Housing Maintenance: Resolution Theme



## Housing Assets & Maintenance - Service Comments

***From Lynn Thomas, Head of Service:***

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During the 2019/20 financial year, as a service, we completed over 15,000 responsive repair jobs and carried out planned work to the value of just over £10 million. We are acutely aware that there has been a 37% increase in complaints recorded by the service compared to last year. However, this still represents a small number in relation to the volume of work we carry out. Whilst we believe the increase could be a direct result of the improved recording of customer complaints, we clearly have distinct areas to improve in our service.

I indicated in last year's annual complaints report the measures we were putting in place to improve the services complaint handling. The first phase was targeted at responding to complaints within target timescales and you can see we have made vast improvements to this. In 2019/20 we responded to 95% of complaints within the target timescale, up from 58% the previous year.

We have also worked closely with the corporate complaints team and provided further refresher training to our staff, reviewed our process on how we manage and deal with complaints, created and distributed a guide to all of our staff 'who does what' for clarity, created new comprehensive complaint response templates to ensure our responses are uniform and reviewed the complaint 'themes' which allows us to report and analyse issues more accurately. The service managers now review complaints handling on a monthly basis to identify trends and seek to address recurring issues.

The highest proportion of root causes continues to be service delays and poor communication; we have investigated this as part of analysing our complaints. The Estates & Facilities Service Review commenced in June in 2019, through this we have identified six main themes for improvement which include Communication & Engagement and Effectiveness & Efficiency.

We have developed action plans to improve the service as part of the review and we have ensured that the analysis of the root causes of complaints are included within these, some of which have already been implemented. Through these actions we have already seen an improvement in some of our Key Performance Indicators (for instance delivering the most urgent repairs on time) and we believe these will continue to improve when we have implemented all the changes we are making to our service.

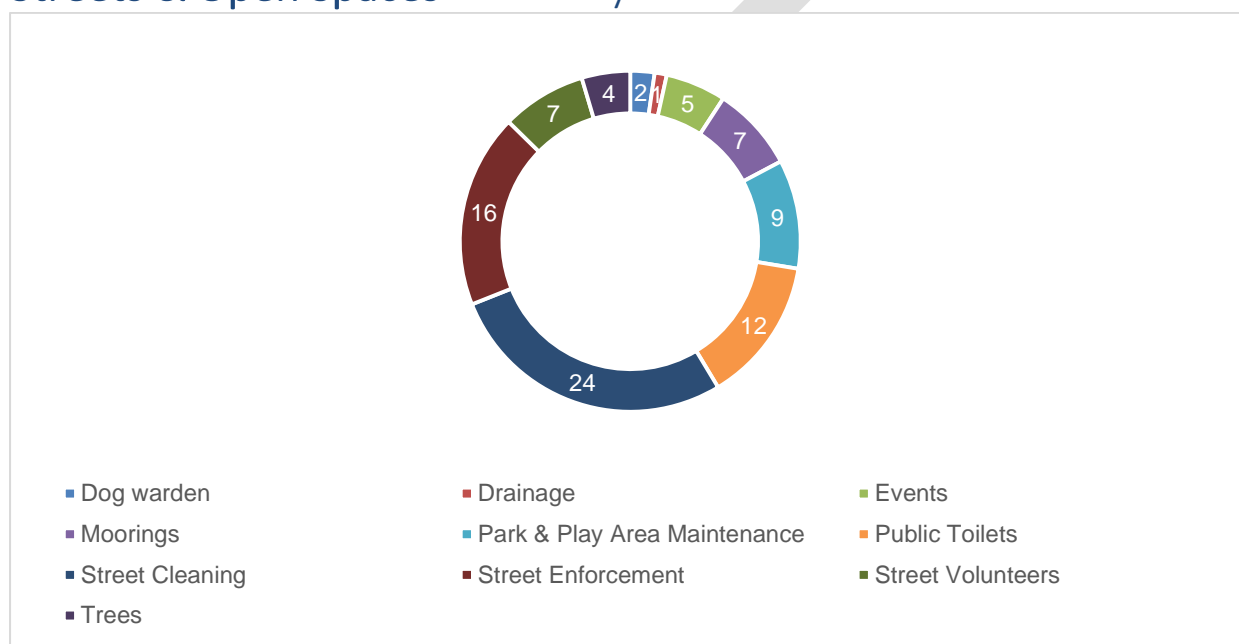
We are also working on how we communicate and engage with our tenants and leaseholders; we have presented the service review action plans to the tenant and leasehold representatives and received a positive response. Examples of these actions are reviewing our internal communication methods and the completion of the housing management system upgrade and new repairs appointment scheduling system which will improve how we interact with our customers.

We are in the 'implementation' period of our service update and there is still much work to do but we remain confident that this will reduce the number of complaints about our services and improve how we respond to those that we do receive.

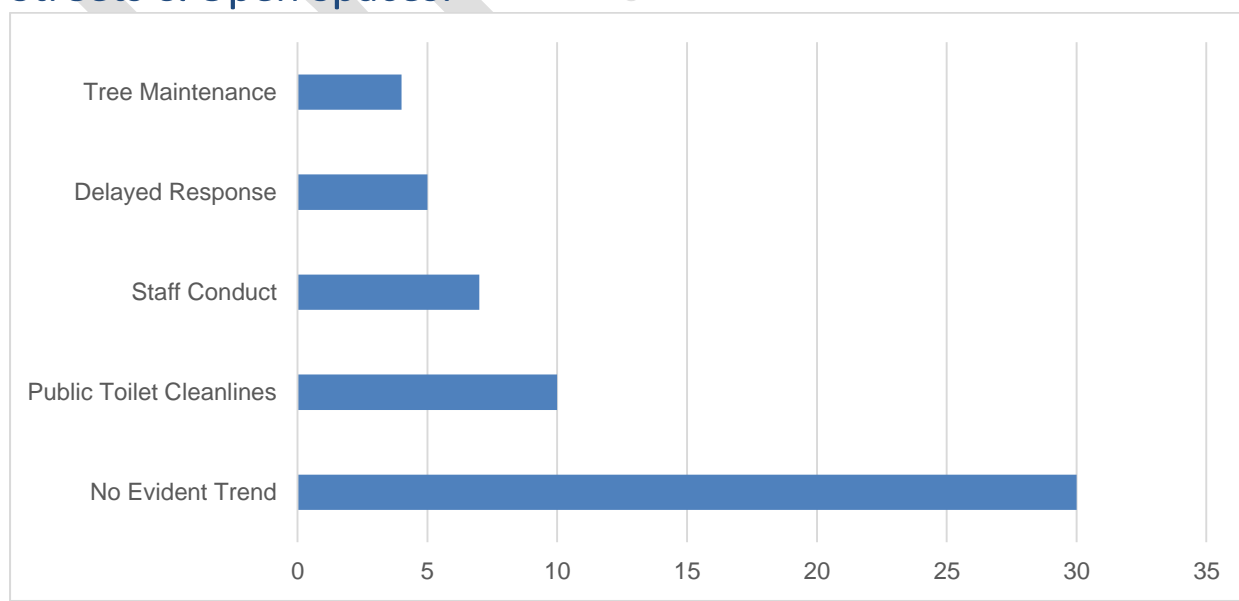
## Environmental Services – Streets & Open Spaces

Streets & Open Spaces	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	88	6	3	76%	9	37
2018-19	100	2	4	59%	11	29
2017-18	62	5	-	56%	8	54

### Streets & Open Spaces: Cases by sub-service



### Streets & Open Spaces: Resolution Themes



## Streets & Open Spaces - Service Comments

***From Joel Carre, Head of Environmental Services:***

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**Streets and Open Spaces (S&OS)** employs 130 staff and is responsible for managing the city's streets and parks and open spaces (300 hectares), including public tree stock (c240,000), play areas (c80); public toilets (20) and market and street trading pitches; and providing daily street cleansing, grounds maintenance and enforcement services.

Of the 88 service complaints received in 2019/20, the highest volumes related to the three following service areas: street cleansing/ grounds maintenance operation: 24 cases (2018/19 – 42 cases); public realm enforcement: 13 case (2018/19 – 16 cases) and public toilets: 11 cases (2018/19 – 10 cases). The remaining 40 complaint cases covered a cross-section of other service areas across S&OS.

The highest area of complaints (24 cases) related to S&OS street cleansing/ grounds maintenance service. This large frontline service employs c70 operatives, who provide a 365 day a year, city wide operation, including emptying c1,000 public litter bins a day, cleaning all the city's streets and pavements and cutting the city's grass. Given the scale of the operation; and with a population of c130,000 residents and a historic city core that attracts 8 million visitors a year, I do not consider the number of street cleansing related complaints (24 cases, equating to fewer than one per fortnight) to be high and there are no particular trends or causal themes.

Examples of complaints received ranged from damage to residents vehicles caused by S&OS mowers throwing up stones when verge grass cutting (2 cases – both of which were referred to the Council's insurer's to resolve); to the use of petrol operated leaf blowers causing noise pollution (2 cases – service has commenced replacing petrol with electric powered leaf blowers which are less noisy).

The second highest area of complaint (13 cases) relates to the S&OS public realm enforcement service, which is responsible for investigating and taking enforcement action against environmental crime in the city, including littering, fly tipping and dog fouling. In 2019/20 the service undertook 2,266 enforcement investigations (2018/19 - 2,000) and issued 634 fixed penalty notices (2018/19 – 662), including 371 for littering (2018/19 - 392) and 72 for small scale fly tipping (2018/19 – 71). Given the scale and enforcement nature of the operation, the number of complaints (13, or less than 15% of the service total) I do not consider this to be a high number and there are no particular trends or causal themes.

The third highest area of complaint (11 cases) related to the city's public toilets. A large number of the city's 20 public toilet facilities are in older buildings, which require major capital investment and suffer from regular acts of vandalism. A number of complaints related to the condition of the toilets in Silver Street, which are the subject of a £500K capital investment which is expected to be undertaken in 2021/22.



In terms of the 5 S&OS complaints escalated to Stage 2, these relate to the following specific services areas: trees, toilets, environmental enforcement, markets and grounds maintenance. Of the 5 Stage 2 investigation outcomes, 4 of the complaints were not upheld and 1 was partially upheld. The partially upheld complaint related to poor communication from the S&OS tree service. In response the service introduced a new web reporting form to ensure complaint cases could not be closed until the case had been responded to and the form completed.

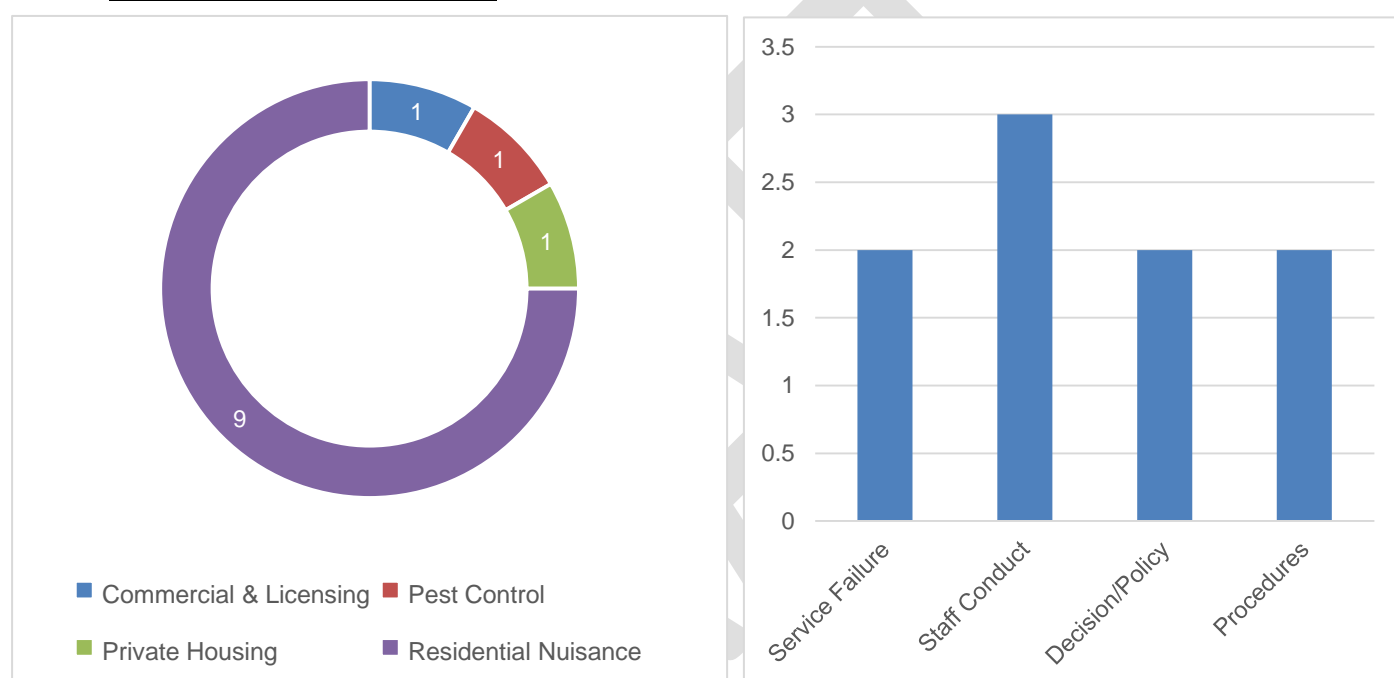
Finally, the S&OS service is in the process of introducing a new digital operational management system, including the deployment of mobile working devices to all frontline staff. The roll out started in February, 2020, with street cleansing operations and should be completed across the remaining S&OS services by January, 2021. This new system will enable customers to report public realm issues and view delivery performance online in real time. These changes will enable the service to deliver a better and more efficient customer service going forward.

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## Environmental Services – Environmental Health

Environmental Health	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	12	3	1	67%	2	2
2018-19	18	2	2	39%	4	1
2017-18	16	4	3	36%	2	-

### Environmental Health: Cases by sub-service & Root Causes



### Service comments from Joel Carre – Head of Environmental Services

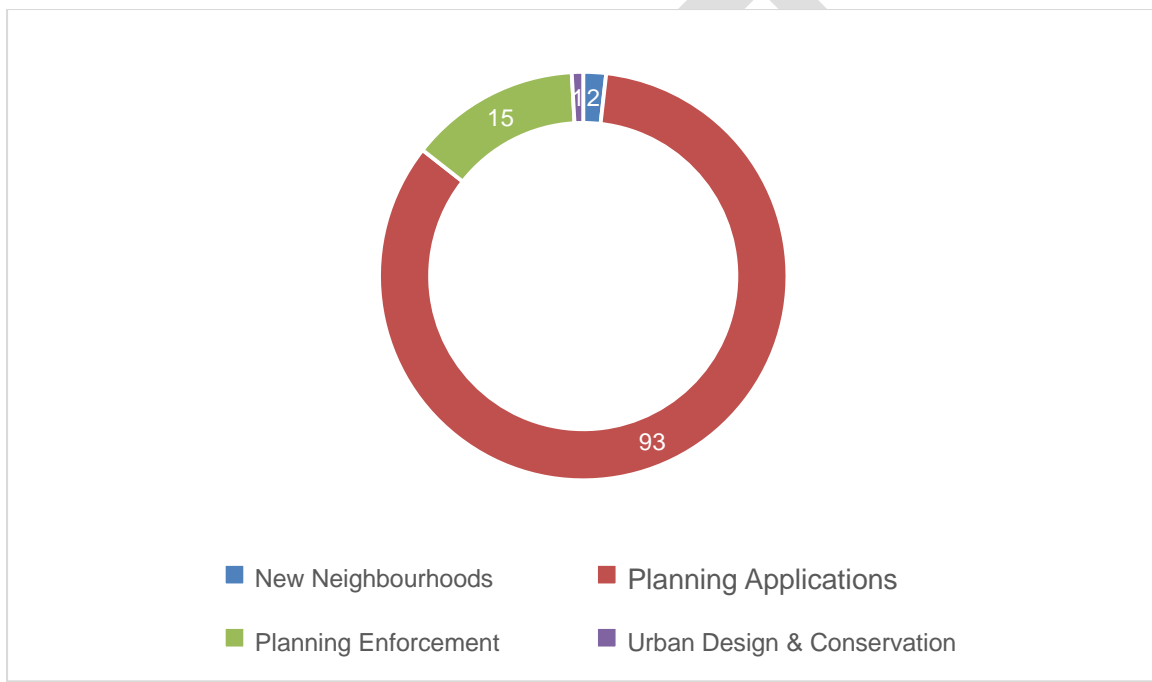
**Environmental Health (EH)** complaint figures have remained broadly the same since last year, with a total of 12 cases in 2019/20; and 18 in 2018/19. I consider this a low figure, given the high volume (4,000 cases) of private rental sector housing, noise disturbance, taxi and food standards enforcement and licensing cases managed by the service in 2019/20 (2018/19 - c4,000). From an analysis of the 12 cases, there are no particular trends or causal themes.

In terms of the 3 EH complaints escalated to Stage 2, these relate to the following cases: noise disturbance involving rowers on the River Cam; noise disturbance involving a neighbour's barking dog; and a private rental housing tenant dispute. Of the 3 Stage 2 investigation outcomes, the 2 noise disturbance complaints were not upheld and the private rental tenant dispute was partially upheld. The partially upheld complaint related to poor communication between the Council officer and a private rental tenant and their landlord's agent, which has been addressed through training with both the officer concerned and wider private rented housing team.

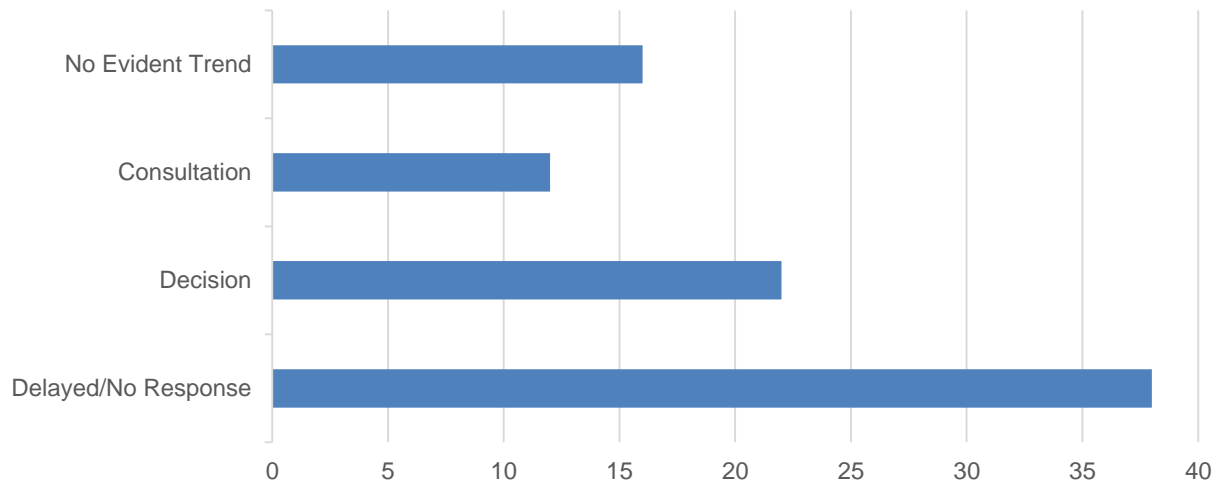
## Greater Cambridge Shared Planning Service

Planning Services	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	111	11	-	41%	2	-
2018-19	18	2	2	39%	4	1
2017-18	16	4	3	36%	2	-

### Planning: Cases by sub-service



## Planning: Resolution Themes



DRAFT

# Greater Cambridge Shared Planning Service - Service Comments

***From Sharon Brown, Assistant Director***

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The performance data for the Greater Cambridge Shared Planning Service (with regard to Cambridge City) shows that there was a significant increase in the overall number of complaints received during 2019-20 compared to the previous two years. This was predominantly an increase in Stage 1 complaints -79 out of a total of 106 complaints. There was a small increase in the number of Stage 2 complaints -an additional 2 giving a total of 9 compared to 7 from the previous year. However, it should be noted that no ICI investigations were initiated during the 2019/20 year, which is a big improvement on the previous two years and reflects the fact that some older, complex complaints that pre-dated the shared service, have now been resolved. Most of the Stage 2 complaints relate to more complex issues that take longer to resolve.

The majority of complaints were planning applications related - 86 out of a total of 106 complaints, with 13 planning enforcement related. The majority of complaints focused on delays or lack of responses (42%), with the root causes mainly due to poor communications (35%) and delays (32%) .

The complaints performance reflects the position that the Development Management service has been in for the past 12 months in that this has been a period of considerable change during the shared service transformation process. This resulted in very wide-ranging changes in staffing, process and system changes. In particular, a number of vacancies arose as a result of the shared service structure implementation – this left the service short of experienced, permanent staff. This in turn meant that applications were not always managed to the timescales or in the ways that more experienced, permanent staff may have managed them, with applicants experiencing delays and other communications issues.

The new shared service structure is now bedding down, the major ICT projects have been completed and recent recruitment has been successful, with more experienced staff being recruited. It is therefore considered that the service is now in a much better position generally, with an improved level of stability than in the last two years in particular.

In recent months, the Development Management team have been focusing on clearing the backlog of over 26 week householder applications as these had resulted in a high proportion of Stage 1 complaints received. All over-target applications are now being tracked individually by area team managers. The service is also focusing on addressing customer service issues highlighted by the complaints performance as a priority. Complaints performance is being

closely monitored and the service has appointed a performance monitoring officer, Matt Hull to oversee this as part of his role.

A customer service improvement project has been instigated which involves staff across the service. A number of improvements are being introduced to the complaints process. A 24 hour call back system has been trialled for SCDC with respect to initial customer E-Mails raising issues about delays. Heading these off early has significantly reduced the number of complaints that then become formal Stage 1s. This system is now about to be rolled out to the City.

There are still issues (as at Spring 2020) with a validation backlog in the Technical Support team which are giving rise to complaints currently. This is a legacy of the ICT go live in February 2020 and the residual issues which impacted on this team the most. However, external contractors have been brought in to provide additional support to clear the backlog and this is being actively monitored.

In terms of the number of complaints dealt with within target, although the 2019-20 data shows that the number of complaints responded to within target were low (35%), the changes described above, notably the increased number of staff within the service, particularly more experienced staff and the improvements in complaints performance monitoring provide more confidence that the situation will improve going forward. This is demonstrated by the fact that Q4 showed that 67% of complaints responses were responded to within target.

In conclusion, whilst the complaints numbers for 2019-20 were higher than we would expect or be comfortable with, for all the reasons set out above, it is perhaps understandable in the context of the changes that were happening within the service. With the service now in a more settled position and a variety of service improvements being progressed, including with regard to customer service and complaints performance and monitoring, performance is improving and should continue to improve further.

## Customer Services

Customer Services	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	29	2	-	93%	8	29
2018-19	43	1	1	91%	38	58
2017-18	36	-	-	88%	11	30

## Customer Services - Service comments

### *From Clarissa Norman, Customer Services Operations Manager*

In 2019-20 Customer services handled in excess of 300,000 contacts via telephone, email and face to face and received 34 complaints. Complaints therefore equates to 0.014% of contacts received.

I would consider the percentage of complaints very low in relation to the amount of contacts received. Our service area supported considerable changes in encouraging customers to channel shift and be more proactive in self serving digitally. This has been evidenced by the customer portal integration with the Trees team and changes with the inform360 scripts to ensure that customers are provided with concise answers to their queries, particularly service requests that can be actioned by the customer themselves (emails, submission of webforms)

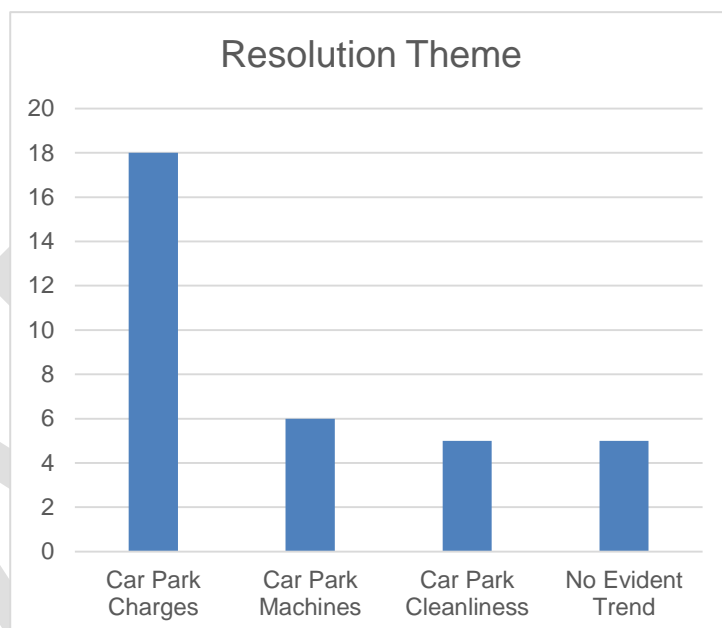
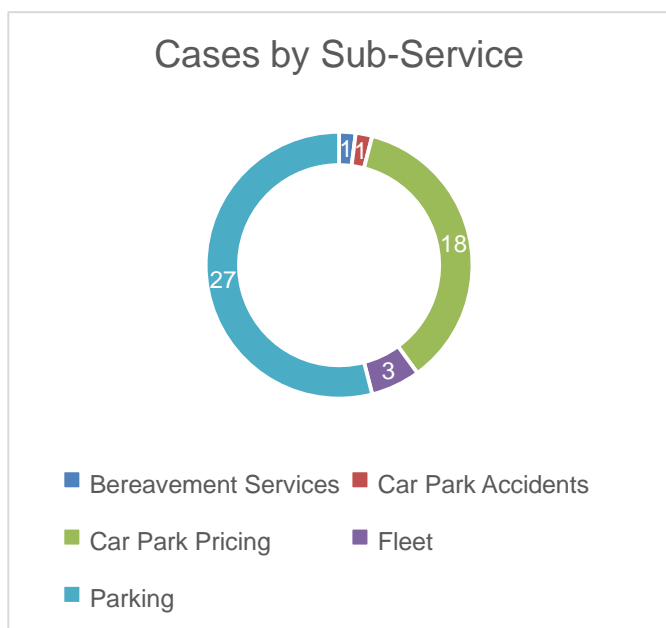
A more collaborative working approach was introduced this year between services, Estates and Facilities staff spent more time with Customer Service Advisors to ensure that officers could share experiences and learn both sides of the processes for each team. This joint working was vital in ironing out misaligned approaches and we have seen successful changes due to these visits and more co-location working has been proposed.

The main causes of these complaints were service failure at 30%, poor communication 24% and staff conduct 15%. Due to the collaborative work made with neighbouring services, it is expected that service failure and poor communication percentage will drop following these changes and provide customers with a more seamless journey when contacting customer services.

Despite the number of complaints submitted, we also received a high number of compliments through the Case Tracker system (28) and 7,993 positive comments captured via Govmetric, equating to 2.6% of contacts- considerably more than the number of complaints raised.

## Commercial Services

Commercial Services	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	50	2	-	41%	-	5
2018-19	66	7	-	99%	4	4
2017-18	38	2	-	71%	2	-8



### Commercial Services – Service Comments

**From James Elms, Head of Commercial Services**

This year has seen a reduction in complaints across Commercial Services from 66 to 50. For context, the service as a whole has in the region of 2,300,000 customers

The service has one complaint for every 66,000 customers. As shown in the graph above, the largest cause for complaint in regards to policy, is for car park charges and this is outside of what the operational service can positively affect. It is worth noting that over half of these complaints were raised within the first quarter of the year, suggesting that residents adjusted to the new pricing policy as the year progressed.

The garage at Waterbeach has continued to grow its positive feedback now sitting at 95.9% on the Good Garage Scheme.

Bereavement continues to see a year on year decline with only one complaint last year involving a rose that would not take.

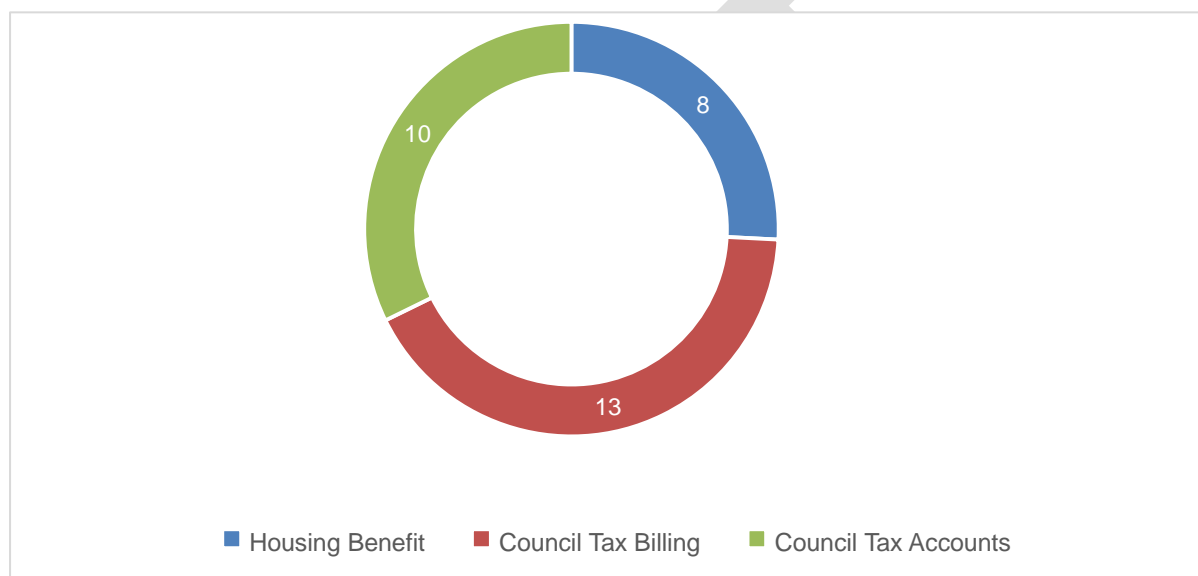
Procurement had no complaints last year, quite an achievement as this can be a contentious service of the Council ensuring that the organisation remains compliant and legal.



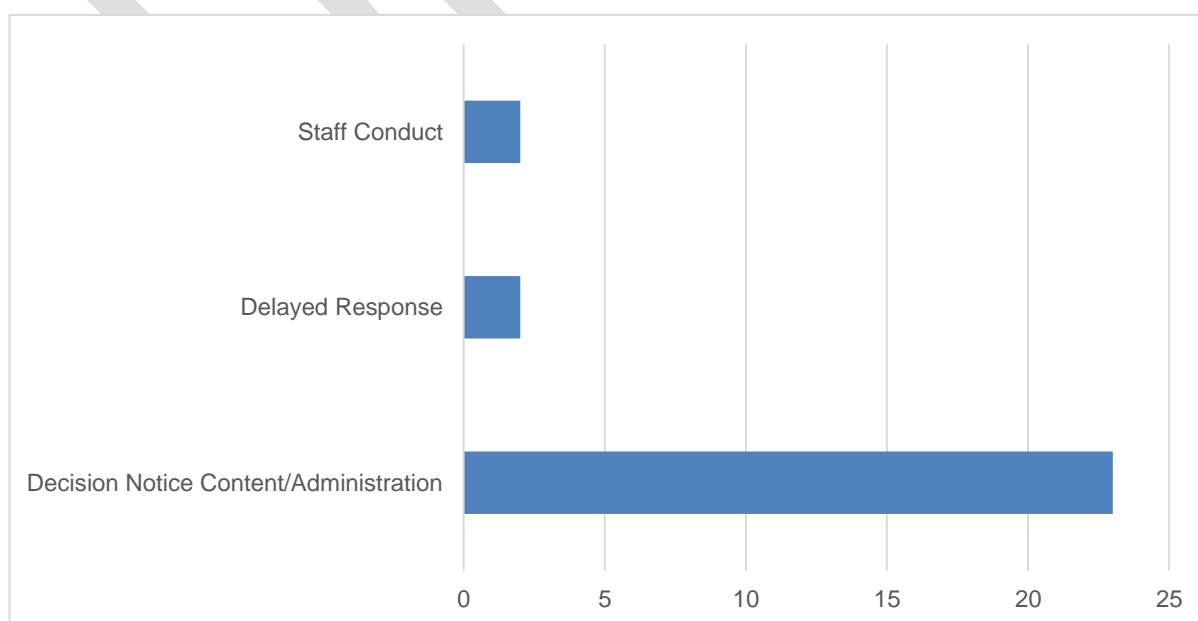
## Revenues & Benefits

Revenues & Benefits	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	31	4	-	100%	2	18
2018-19	35	1	1	97%	13	15
2017-18	41	1	2	94%	-	26

### Revenues & Benefits: Cases by Sub-Service



### Revenues & Benefits: Resolution Themes



## Revenues & Benefits – Service Comments

### ***From Alison Cole, Head of Revenues & Benefits***

Given the sheer volume of documents issued, with a high number of these in pursuance of non-payment of either Council Tax, Business rates or Housing Benefit repayments due to the Council, the number of complaints remains consistently low and demonstrates the sensitive way the team handles this area of work. During 2019/20, the total number of documents sent from the Revenues and Benefit teams was over 211,000, including:

- For Council Tax: 158,000 documents sent including council tax bills, reminders, final notices and summons.
- For Business Rates: 6,500 documents.
- For Benefits: 47,000 decision notices sent, including
- 7,000 Housing Benefit overpayment letters seeking recovery of overpaid Housing Benefit.

There has been a further reduction compared to previous years complaints totals and 100% were responded to within target this year.

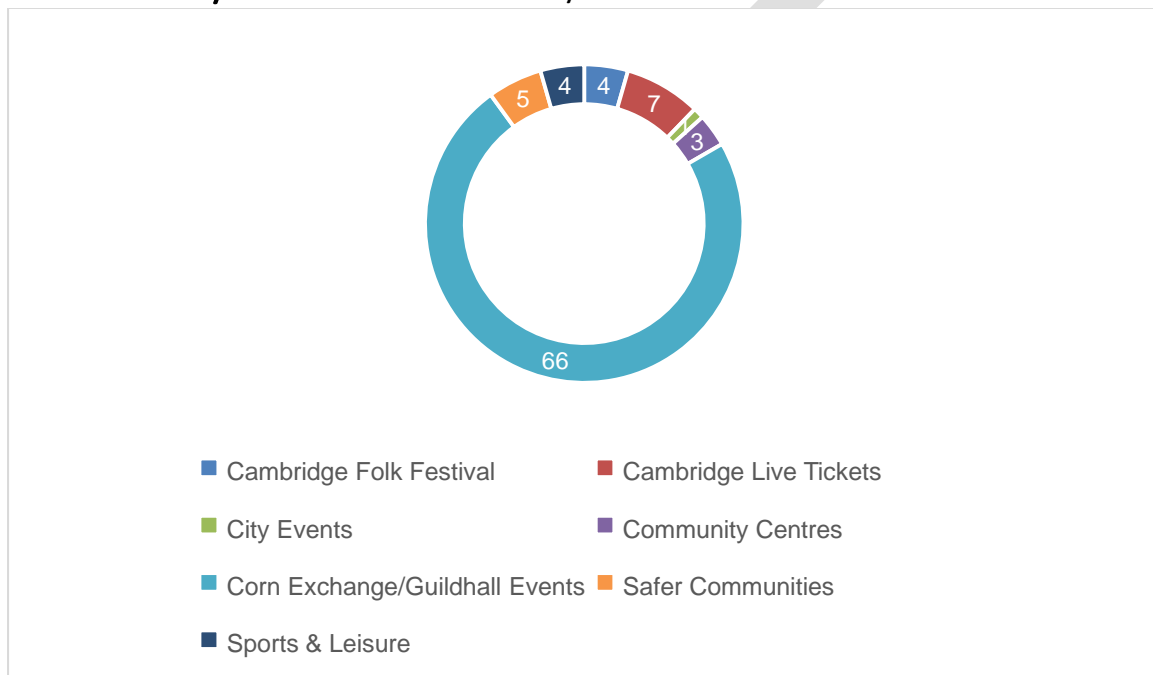
During 2019/20 the team has received complaints from customers unhappy about receiving reminders and summonses for non-payment of council tax.

When reviewing root causes identified, one of the trends detected was that the complaint was actually a legal challenge against a decision, where we referred the complainant to the Valuation Office Tribunal Service for the complainant to appeal the decision, and as such should not have been recorded as a complaint.

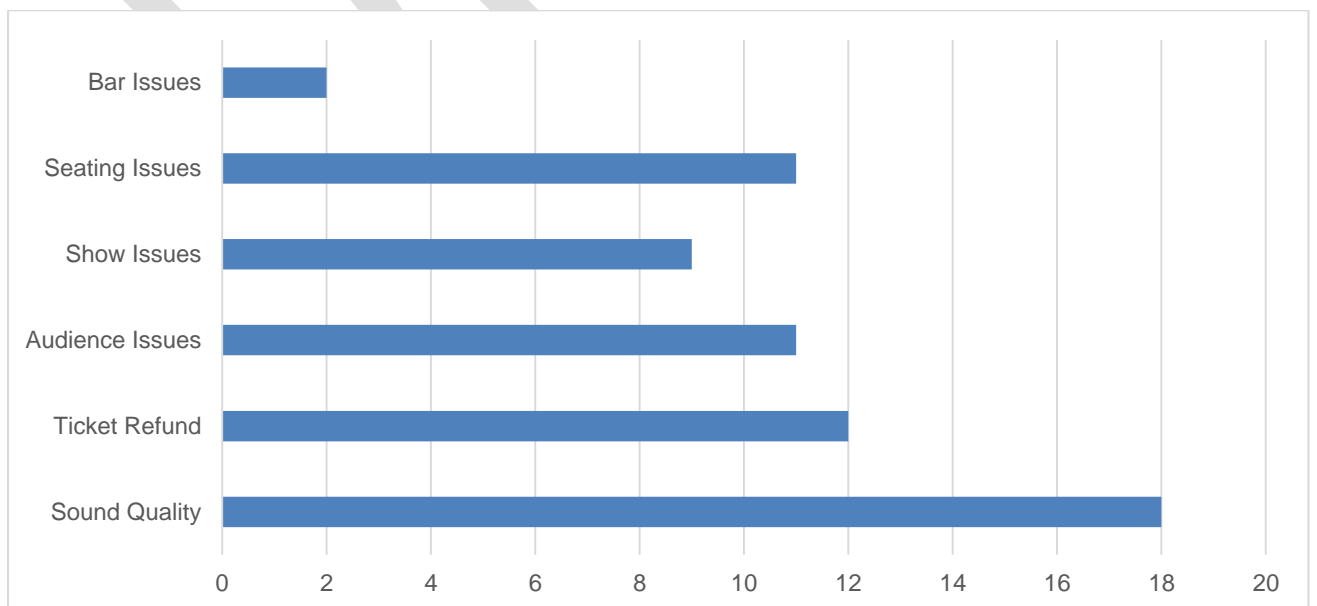
## Community Services

Community Services	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	90	4	-	89%	4	15
2018-19	10	1	-	50%	8	10
2017-18	11	1	1	70%	2	27

### Community Services: Cases by Sub-Service



### Community Services: Resolution Themes



# Community Services - Service comments

***From Debbie Kaye, Head of Community Services***

The number of complaints received by the service increased significantly in 2019/20 as the Council took Cambridge Live back in-house. 78 of the 90 complaints received by the service related to Cambridge Live, and of those, 66 were regarding the Corn Exchange.

Over the financial year of 2019-20, a total of 162,659 tickets were purchased by customers wishing to attend a wide variety of events available at the Corn exchange.

Complaints from customers are submitted into a feedback system, then they are automatically assigned to the Head of Venues initially. They review the case, either responding themselves or reallocating to a suitable alternate manager within the team to investigate and respond. This process has been valuable as it allows the Head of Venues to view all incoming feedback (complaints, comments and compliments) and allows opportunities for improvements within the service.

60% of the complaints received were specific to the complainants individual views or experiences, making it difficult to identify precise areas of action. However, from the resolution themes added to the system, two areas were highlighted as complaint trends, these involved the sound quality and the seating at the Corn Exchange.

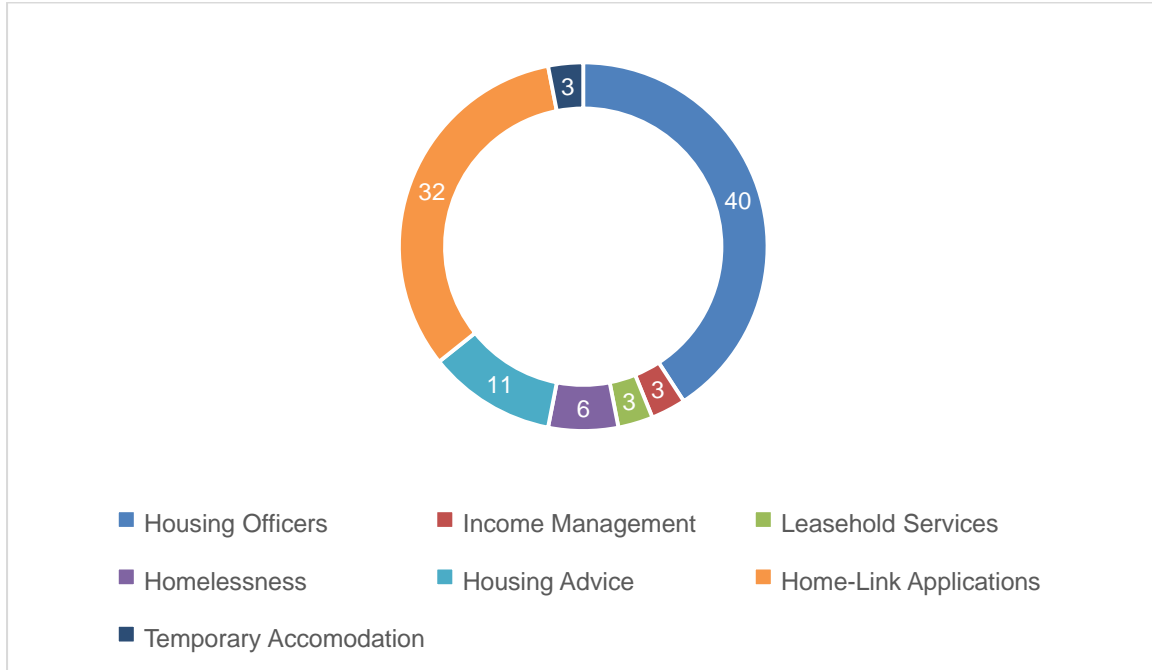
Complaints regarding the sound have been regularly received and we have identified and investigated this appropriately. It was found that the sound issues were not in relation to our own sound equipment within the venue, but rather promoters who insisted on using their own equipment oppose to ours, an attempt to save on costs. Due to the number of complaints received we have now altered the venue hire contract as a result. The price of venue hire has increased to include our own sound system to combat this with an aim to see less submitted cases relating to poor sound quality over the coming year.

The second main area was regards to seating complaints, generally this was due to poor visibility from seats due to people in front, or the proximity of the seating in certain areas. We have made adjustments where possible and have altered the seating plan to remove the front left and right corner seats to prevent a restricted view. This has helped with the number of complaints submitted; however as our flat floor seating is an area where the chairs are at their narrowest and linked together, feedback will continued to be received from individuals complaining about lack of room. In the longer term this needs to be considered and a complete new seating system will need to be planned for, however making the seats larger will also reduce the capacity, which in turn decreases our financial return.

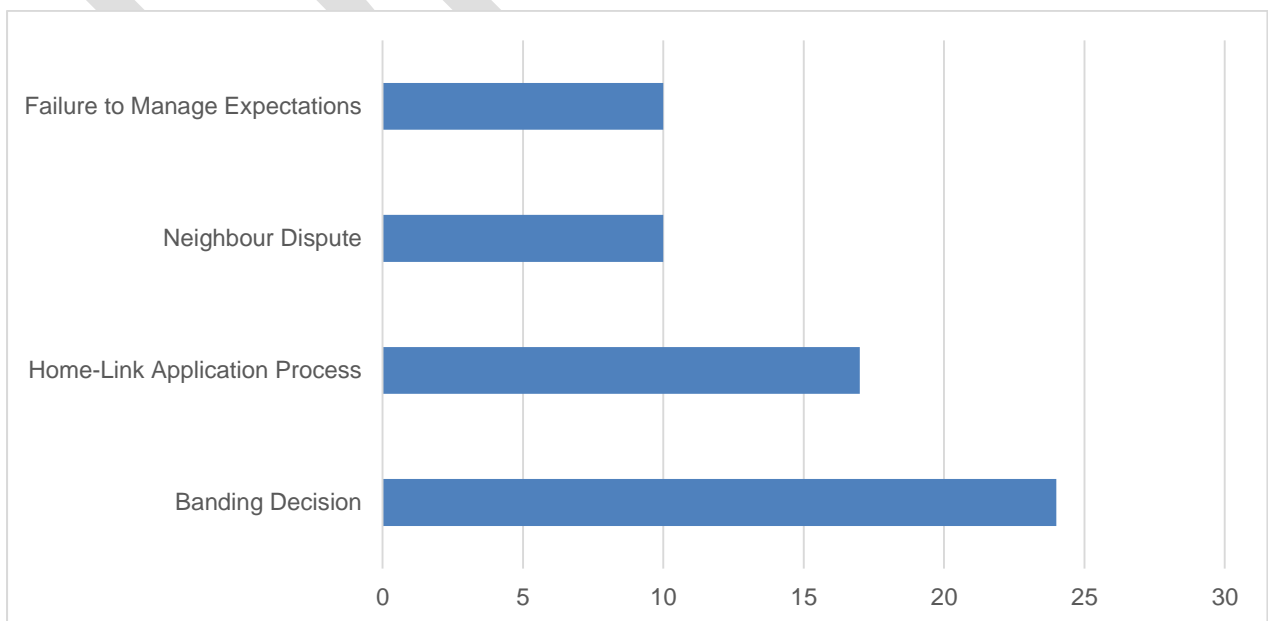
## Housing Management Services

Housing Services	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2019-20	98	10	3	85%	14	29
2018-19	100	16	4	75%	32	21
2017-18	93	3	5	68%	12	19

### Housing Management Services: Cases by Sub-Service



### Housing Services: Resolution Themes



# Housing Services – Service Comments

*From David Greening, Head of Housing*

The Housing service manages close to 8,400 properties within the City, and has placed 591 residents into temporary accommodation during the year. We have also handled 897 homeless applications, had 1,650 new applicants join the Home-Link register, and opened 1,026 housing advice cases in the year. Given these numbers, the amount of complaints raised is low in comparison.

Although the total number of complaints for the year has not reduced much on the year before, the number progressing to Stage 2 has dropped. There has also been a higher proportion of complaints that are dealt with within target. Pleasingly, the number of compliments has also nearly doubled.

As a service, we welcome complaints, as they help us to identify service weaknesses and opportunities to improve. We are therefore less concerned about the overall numbers received, as the resulting outcomes. Over the past 12 months Housing Services have sought to improve the way we handle the complaints we do receive. Our Policy and Performance (P&P) Officers have implemented a number of new initiatives to help improve how complaints are managed. This includes significant data analysis to help improve complaint categorisation (and subsequent evaluation); the introduction of bi-monthly meetings with staff to look at lessons learned (focusing particularly on how we can prevent escalations); and in January 2020 the roll-out of a new service-wide Complaints Handling Procedure. The Complaints Handling Procedure seeks to standardise how staff respond to complaints, and (with the removal of the ICI stage in early 2020) seeks to satisfy the complainant at first approach, preventing escalation to the Ombudsmen. Key elements of the procedure covered:

- the importance of discussing the complaint directly with the customer, in order to isolate the key issue(s) and the customer's preferred resolution;
- the role of the Officer in making sure that a complainant feels 'heard';
- acknowledging fault where it is valid;
- in a minority of cases offering financial recompense;
- ensuring any necessary service changes are progressed.

Upcoming P&P initiatives include the introduction of telephone call monitoring software to enable us to evaluate call-handling; and the roll-out of Call Handling Best Practice Guidance.

The following services have not been reported on in detail due to the low number of complaints raised within them. However a brief summary of performance is provided.

### Property Services

Property Services received two stage one complaints which were both resolved within target.

### Human Resources

Human Resources received one stage one complaints which was resolved within target.

### Legal Services

Legal Services received three stage one complaints, and one stage 2 complaint, all of which were resolved within target.

The complaint escalated to stage two is a long running dispute around a property boundary, which is nearing conclusion.

### Finance

Finance received one stage one complaint, and one stage two complaint which were both resolved within target. The stage two complaint related to a tendering process not being followed correctly. This has now been resolved to the satisfaction of the complainant.

### Building Control

Building Control received two stage one complaints, both were resolved within target.

### Multi-Service Complaints

Multi-Service Complaints	Total Complaints	Stage 2 Complaints	ICI Complaints	Complaints in Target
2019-20	33	3	4	79%
2018-19	83	12	3	67%
2017-18	32	5	2	41%

Multi-Service complaints tend to be more complex and involve more officer time to investigate, which in previous years has contributed to a low number of complaints responded to within target. This year has seen a vast improvement in this measure, which is encouraging and highlights that staff are getting used to working together to resolve complaints.

There has been a reduction in the number of multi-service complaints. This is due to a retraining of the complaints triage to ensure that cases truly are multi-service and require an input from multiple departments.

The most common areas involved in multi-service complaints are Housing (14), and Estates & Facilities (11). This is to be expected as Estates & Facilities can often involve officers from the Housing service if the complaints concern decisions made by that service.

When a multi-service complaint is allocated, all Heads of Service involved are contacted to establish a lead officer who will then co-ordinate an investigation and response, including input from all relevant services involved.

The multi-service complaints that were escalated to stage three, were all raised by one individual who has a long standing dispute with the Council and its moorings policy. None of these complaints were upheld or partially upheld by the ICI. This complainant pursued their complaint with the LGSCO (Local Government & Social Care Ombudsman), who also did not uphold the complaint.

## **Non-Cambridge City Council**

In addition to cases received relating to City Council services, 131 cases were raised relating to issues for authorities or services not provided by the City Council. The most common cause of these cases relates to Highways issues. In all cases, complainants were responded to signposting them to the correct authority to deal with their case.

In an effort to reduce this number and signpost the customer to the correct authority first time, we have revised the text guidance on the complaints web page which customers navigate prior to raising their case.

This text addresses the most common Non-CCC issues and where to register these complaints. The most common Non-CCC complaints relate to Highways, Bus services and Parking tickets.



## Independent Complaints Investigator (ICI)

During 2019-20, 14 complaints were escalated to the ICI by complainants dissatisfied with the responses provided at stages one and two. Five of these escalated cases were not pursued by the ICI, with two being passed back to be resolved by the council. The remaining nine complaints were investigated by the independent investigators and two were partially upheld.

One complainant escalated three different complaints to the ICI, none of which were upheld. The complainant continued to pursue their complaint with the Local Government Ombudsman, who also did not uphold the complaint.

Partially upheld Stage 3 complaints in 2019-20		
Service	Date	Decision
Housing Advice	24 <sup>th</sup> April 2017	Partially upheld
Environmental Health	3 <sup>rd</sup> May 2017	Partially upheld

## Partially Upheld ICI Complaints – case summaries

### **Housing Maintenance & Assets 16/12/2019**

#### ***Complaint: Length of time taken to repair a shower in the property***

Escalated to ICI as complainant believed that their complaint had not been investigated in its entirety at stages one and two, and the Council had ignored issues raised within the complaint. The tenant believed that the noise from the shower once repaired was negatively impacting upon their wellbeing, and the Council had not taken this into consideration when installing a replacement pump. The complaint also mentioned that they wished for a bath to be fitted in place of a shower.

- ICI recognised that a significant amount of time had elapsed between the resident reporting their shower, and the repair taking place. The ICI recognised that the Council had acted in line with policies, but could have taken a more proactive approach to resolving the problem with the shower.
- Following the ICI report, arrangements were made to check over the newly installed shower to ensure it was functioning as well as it could, and the resident was referred to the Occupational Health department at the County Council to discuss adaptations to their bathroom. CAM399855

## Housing Management Services: Home-Link 14/10/19

### *Complaint: Closure of Home-Link application*

Complainant escalated their case to ICI because they did not consider their complaint to be resolved at stages one or two of the complaints process. The complainant requested that their Housing application be kept open due to a medical need, however the Council closed the complainants application as they failed to provide requested documents on more than one occasion. Complainant was unhappy that they had paid money for a doctor's note, and we would not accept that note.

- ICI report stated that the City Council had followed its housing application policy. However, the ICI recommended that the Council refund the £25 for the medical note to the complainant as a gesture of goodwill. CAM947021

### Number of ICI Complaints wholly upheld/partially upheld between 2017-2020

Period	Partially upheld	Wholly Upheld
2019-20	2	-
2018-19	5	7
2017-18	1* + 7	1

\*Complaints carried over from the previous financial year

At Civic Affairs Committee in October 2019, it was agreed to remove the third stage of the complaints process. This means that from 1 April 2020, following Stage 2 the next step of escalation is to the Local Government and Social Care Ombudsman (LGSCO).

## Local Government and Social Care Ombudsman (LGSCO)

If customers are not satisfied with the way their complaint has been handled they can contact the Local Government and Social Care Ombudsman's office. The LGSCO investigates complaints of injustice arising from maladministration by local authorities and other bodies.

In 2019-20 the Local Government and Social Care Ombudsman received 13 complaints relating to Cambridge City Council. Of these, 4 were treated as complaints where a decision was applicable. As a result of the LGO's detailed investigations, 2 were upheld and 2 were not upheld.

The LGSCO were satisfied that 100% of their recommendations from 2019-20 cases were implemented by the Council.

Department	No of Complaints Received	Decision
Revenues & Benefits	3	2 Closed after initial enquiries 1 Referred back for local resolution
Environmental Services & Public Protection & Regulation	4	1 Closed after initial enquiries 1 Referred back for local resolution 2 <i>Not upheld</i>
Housing	2	<b>1 Upheld</b> 1 Advice given to complainant (signposted to complaints handling)
Planning & Development	2	<b>1 Upheld</b> 1 Closed after initial enquiries
Corporate & Other Services	2	2 Closed after initial enquiries
<b>Total</b>	<b>13</b>	<b>2 Upheld</b>

### LGSCO Upheld Case summaries

The LGSCO provides information on all cases submitted and investigated on their website. Summaries have been provided below, full information on each case can be found on the LGSCO website by searching for the reference number.

#### **Planning Services**

**Complaint: 19 002 891 - 27/02/20**

Complainant's neighbours applied for permission to erect a two storey extension at the rear of the property. As part of the application process, the complainant was given the opportunity to submit representations. The Council approved the application and made reference to representations from other residents, but not those of the complainant.

After the approval of the application, the complainant contacted the Council to state that they never confirmed receipt of her representations. Complainant wrote to the Council again to bring to their attention that the development would cause a loss of daylight, be too dominating, and cause overshadowing. The complainant also stated that nobody from the Council visited prior to the determination of the planning application. Following the formal complaint being raised to the Council, a number of errors were admitted to including the initial not taking the representations into account. The complaint was handled at Stage 2 of the Councils complaints process, and a number of extensions to a target date were applied, which failed to be met.

In seeking to resolve the complaint, the Council met with the applicants and suggested some alterations to the first floor window in the plans, however the applicants did not agree to these, despite the Council offering to pay for them. This failure to agree a remedy, along with the failure during the complaint handling led to the complaint being upheld.

**The LGSCO recommended the following actions**

- Within one month of the final decision the Council will write to the complainant and offer to pay £1000 to recognise the failure to include the planning condition to protect their amenity and the ongoing injustice caused by this fault. The £1000 should be paid if the offer is accepted by the complainant.
- Within three months of the final decision the Council will provide evidence to the Ombudsman of the improvements it has made to the planning application process, and review the complaints handling process to identify any improvements that can be made.

**Housing Services**

***Complaint: 18 016 753 - 08/08/19***

Complainant raised a complaint due to being allocated a property below another tenant with a history of anti-social behaviour. Complainant felt that an adequate risk assessment was not carried out prior to allocating the property. Complainant is considered a vulnerable tenant by the Council due to recorded mental health issues. These issues were not taken into consideration alongside the history of behaviour from the tenant above the allocated property.

The Council claimed to have dealt with the anti-social behaviour and offered the complainant four alternative properties which were deemed suitable, as well as respite stays away from his property. The Council consulted LGSCO guidance on remedies, but only from a distress point of view. There is a further guidance section on Housing Remedies which was not consulted. The complainant was insistent that they did not want to move, and that their neighbour above who was causing the issues should be the one to move to alternate accommodation.

**The LGSCO recommended the following actions**

- Within one month of the final decision the Council will apologise to the complainant and pay £3800 for the injustice caused in allocating them the flat. This is calculated as £350 per month for 11 months from February-December 2018.

### **Number of LGSCO cases, yearly comparisons 2017 – 20**

The below table shows the number of complaints referred to the LGSCO, against how many cases were investigated, and how many of those investigated were upheld.

Year	Total Enquiries Received	Cases Investigated	Cases Upheld
2019-20	13	4	2
2018-19	13	3	3
2017-18	19	3	2

Reasons to not investigate a complaint include the complaint not being made within 12 months of the issue occurring, complainants not providing sufficient information to allow the LGSCO to investigate, and in some cases, the complaint not being passed through the Council’s complaints procedure first before escalation. In these instances, the LGSCO will give advice, and signpost complainants to sources of further information.

### **Complaints under the Councillors’ Code of Conduct**

Councillors must adhere to the Council’s Code of Conduct whenever they are conducting Council business, representing the Council or conducting the business of the office to which they were elected. The purpose of the Code of Conduct is to ensure high standards of ethics and conduct are maintained and that councillors treat everybody in an equal capacity and with respect, ensuring at all times that the integrity of the Council is not compromised in any way.

Complaints about councillors are considered initially by the Council’s Monitoring Officer (who is also the Head of Legal Practice). When the Monitoring Officer receives a complaint about breach of the Code of Conduct, they consult one of two “Independent Persons” appointed by the Council. The role of the “Independent Persons” is to introduce external scrutiny of the complaints process. The Monitoring Officer can respond to a complaint, can commission a formal investigation or can refer it for consideration by the Council’s Standards Sub-Committee. The Council’s Standards Sub-Committee is made up of three Councillors.

### **Councillor Conduct Complaints, 2019/20**

During 2019-20, the Council received three complaints about the conduct of Councillors. In all three cases, the Councillors involved offered apologies to the complainants, and it was possible to achieve an informal outcome to the complaint without the need for formal investigation.

There were two complaints in 2018/19 and three complaints in 2017/18.

To find out more about the Council's Code of Conduct visit our website or contact the Council's Monitoring Officer Tom Lewis [tom.lewis@3csharedservices.org](mailto:tom.lewis@3csharedservices.org)

DRAFT

## Item

### **TREASURY MANAGEMENT HALF YEARLY UPDATE REPORT 2020/21**

**To:**

The Executive Councillor for Finance & Resources: Councillor Mike Davey  
Strategy & Resources Scrutiny Committee 5<sup>th</sup> October 2020

**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 2020/21;
  - A review of the Council's borrowing strategy for 2020/21;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - A review of the Council's investment portfolio for 2020/21; and;
  - An update on interest rate forecasts following economic news in the first half of the 2020/21 financial year.
- 1.3 Cash Balances are forecast to stay at past levels at around £105.5 million by the end of this 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 £7.7 million are expected in 2020/21
- 1.5 Interest receipts for the year are projected at £1,221,000 which is £569,000 below budget but is £618,000 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 2020/21 to 2023/24 (Appendix A).

## **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 2020/21 to 2023/24**

- 4.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:



- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or;
- If insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.

4.2 Details of capital expenditure forms one of the required prudential indicators. The table below shows the proposed capital expenditure and how it will be financed. It also includes any re-phasing during 2020/21 and is in line with the agreed Capital Plan.

Estimate	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
General Fund Capital Expenditure	60,380	38,411	26,727	31,890
HRA Capital Expenditure	58,596	65,977	104,755	86,386
<b>Total Capital Expenditure</b>	<b>118,976</b>	<b>104,388</b>	<b>131,482</b>	<b>118,276</b>
Resourced by:				
• Capital receipts	-8,102	-6,912	-5,298	-3,303
• Other contributions	-61,830	-63,464	-53,453	-55,054
<b>Total resources available for financing capital expenditure</b>	<b>-69,932</b>	<b>-70,376</b>	<b>-58,751</b>	<b>-58,357</b>
<b>Financed from cash balances &amp; any Prudential Borrowing required</b>	<b>49,044</b>	<b>34,012</b>	<b>72,731</b>	<b>59,919</b>

4.3 In addition to a total of £31.215 million for the Mill Road and Cromwell Road developments, the Medium Term Financial Strategy now includes capital expenditure of £10.400 million for the L2 Orchard Park site. This is General Fund expenditure which will be funded from cash balances. It 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	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000

<b>Capital Financing Requirement &amp; External Borrowing Estimate</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
General Fund Capital Financing Requirement	118,033	151,500	175,203	204,069
HRA Capital Financing Requirement	205,898	205,898	254,381	284,889
<b>Total Capital Financing Requirement</b>	<b>323,931</b>	<b>357,398</b>	<b>429,584</b>	<b>488,958</b>
<b>Movement in the Capital Financing Requirement</b>	<b>48,499</b>	<b>33,467</b>	<b>72,186</b>	<b>59,374</b>
<i>Financed from cash balances &amp; any Prudential Borrowing required</i>	49,044	34,012	72,731	59,919
<i>Minimum Revenue Provision</i>	(545)	(545)	(545)	(545)
Estimated External Gross Debt/Borrowing (Including HRA Reform)	213,572	240,093	307,110	367,014
Authorised Limit for External Debt	400,000	400,000	400,000*	400,000*
Operational Boundary for External Debt	328,931	362,398	434,584	493,958

5.2 A further prudential indicator controls the overall level of borrowing externally. This is the Authorised Limit (ABL) which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. \* If the above level of Prudential Borrowing is maintained, this limit (ABL) will require increasing from £400.0m to around £450.0m in 2022/23 & £500.0m in 2023/24.

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

<b>UPDATE</b>	<b>Principal (£'000)</b>
Authorised Borrowing Limit (A) – Agreed by Council on 17 <sup>th</sup> October 2019	400,000
PWLB Borrowing (for HRA Self-Financing, B)	213,572
Headroom (A minus B)	186,428
Borrowing up to 31 <sup>st</sup> August 2020	NIL
<b>Total Current Headroom (A minus B)</b>	<b>186,428</b>

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

## **6. Borrowing**

- 6.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1<sup>st</sup> April 2004.
- 6.2 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 requires new external borrowing for the year 2021/22 onwards. This is to support the redevelopment of the Park Street multi-storey car park and for capital schemes under the HRA. 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 25<sup>th</sup> February 2020. 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 2021, at least (with the date agreed annually). However, the Council notes the recent HM Treasury Consultation, 'PWLB: future lending terms', which proposes restrictions on borrowing from the PWLB where an authority's capital plan includes commercial schemes in the year that borrowing is required. The Council will review its capital expenditure plans in light of the outcome of this consultation.

## **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 31<sup>st</sup> July 2020 is 1.27%, compared to 1.45% in 2019/20. The current quoted return on the CCLA Local Authorities Property Fund is an annual return of 4.49%. 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 To ensure that minimal risk is present for the Housing Revenue Account (HRA) nominal cash balances, returns from lower risk investments (currently estimated at 0.6%) will be used to transfer interest receipts to the HRA.

- 7.4 Current estimates for 2020/21 include Gross interest receipts of £1,221,000 and net receipts to the General Fund of £827,000 which is £215,000 below the annual budget of £1,042,000. This is mainly due to interest rates being low.
- 7.5 The table below shows the Council's predicted cash balances apportioned between short term (up to 3 months), medium term (up to 1 year) and long term (core cash, up to 5 years) deposits.

<b>DEPOSIT ANALYSIS Annualised Av Balance</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Short Term – 40%*	42,200	37,280	48,880	48,480	33,800
Medium Term - 30%*	31,650	27,960	36,660	36,360	25,350
Long Term – 30%*	31,650	27,960	36,660	36,360	25,350
<b>TOTAL</b>	<b>105,500</b>	<b>93,200</b>	<b>122,200</b>	<b>121,200</b>	<b>84,500</b>

\*Based on current estimated net cash inflow trends.

- 7.6 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.
- 7.7 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 2020 is shown at Appendix C.

## **8. Update on the exit from the European Union (EU) & COVID-19**

- 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. Since that referendum the United Kingdom left the EU on 31<sup>st</sup> January 2020 with a year to negotiate an 'exit deal'.
- 8.2 COVID-19 has placed downward trends on world-wide money markets. This will continue for some time particularly with fears around a 'spike' in infection rates looming.

## **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 detailed 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](mailto:stephen.bevis@cambridge.gov.uk)

## PRUDENTIAL &amp; TREASURY MANAGEMENT INDICATORS

Estimates	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>PRUDENTIAL INDICATORS</b>				
<b>Capital expenditure</b>				
- General Fund	60,380	38,411	26,727	31,890
- HRA	58,596	65,977	104,755	86,386
<b>Total</b>	<b>118,976</b>	<b>104,388</b>	<b>131,482</b>	<b>118,276</b>
<b>Capital Financing Requirement (CFR) as at 31 March</b>				
- General Fund	118,033	151,500	175,203	204,069
- HRA	205,898	205,898	254,381	284,889
<b>Total</b>	<b>323,931</b>	<b>357,398</b>	<b>429,584</b>	<b>488,958</b>
<b>Change in the CFR</b>	<b>48,499</b>	<b>33,467</b>	<b>72,186</b>	<b>59,374</b>
<b>Deposits at 31 March (Average cash balances annualised)</b>	105,500	93,200	122,200	121,200
<b>External Gross Debt</b>	213,572	240,093	307,110	367,014
<b>Ratio of financing costs to net revenue stream</b>				
-General Fund	-823	-259	624	1,178
-HRA	7,098	7,206	8,299	8,965
<b>Total</b>	<b>6,275</b>	<b>6,947</b>	<b>8,923</b>	<b>10,143</b>
<b>% of net revenue expenditure</b>				
-General Fund	-4.31%	-1.70%	3.92%	10.96%
-HRA	16.35%	16.13%	17.82%	17.97%
<b>Total (%)</b>	<b>12.04%</b>	<b>14.43%</b>	<b>21.74%</b>	<b>28.93%</b>

## PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Estimate 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000
<b>TREASURY INDICATORS</b>				
<b>Authorised limit</b>				
for borrowing	400,000	400,000	400,000*	400,000*
for other long-term liabilities	0	0	0	0
<b>Total</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000*</b>	<b>400,000*</b>
<b>Operational boundary</b>				
for borrowing	328,931	362,398	434,584	493,958
for other long-term liabilities	0	0	0	0
<b>Total</b>	<b>328,931</b>	<b>362,398</b>	<b>434,584</b>	<b>493,958</b>
<b>Upper limit for total principal sums deposited for over 364 days &amp; up to 5 years</b>	50,000	50,000	50,000	50,000
<b>Upper limit for fixed &amp; variable interest rate exposure</b>				
Net interest on fixed rate borrowing/deposits	6,275	7,477	13,863	13,812
Net interest on variable rate borrowing/deposits	-15	-15	-17	-17
<b>Maturity structure of new fixed rate borrowing</b>		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

\*To be increased to £450.0m in 2022/23 & £500.0m in 2023/24.



## 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).

Name	Council's Current Deposit Period	Category	Limit (£)
<b>Specified Investments: -</b>			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
Debt Management Account Deposit Facility	N/A	DMADF	Unlimited
Barclays Bank Plc – 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
Members of a Banking Group	Using Link's Credit Criteria	UK Banks and UK Nationalised Banks	30m

Name	Council's Current Deposit Period	Category	Limit (£)
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)
Enhanced Money Market Funds (not below AAf) - VNAV	Over 3 months and up to 1 year	Financial Instrument	5m (per fund)
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
<b>Other Specified Investments - UK Building Societies: -</b>			
Name	Council's Current Deposit Period	Asset Value (£'m) – as at 12 <sup>th</sup> August 2020	Limit (£)
Nationwide Building Society	1 month or in line with Link's Credit Criteria, if longer	245,732	Assets greater than £100,000m - £20m
Yorkshire Building Society		52,815	
Coventry Building Society		48,771	Assets between £50,000m and £99,999m - £5m
Skipton Building Society		23,648	
Leeds Building Society		21,162	
Principality Building Society		10,483	Assets between £5,000m and £49,999m - £2m
West Bromwich Building Society		5,565	
<b>Non-Specified Investments: -</b>			
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: AAf/S1, Fitch: AAf/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	25m (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 1<sup>st</sup> April 2020, the Council had deposits of £108.840m. The table below provides a sources breakdown of the funds deposited at that date: -

<b>Funds Deposited as at 1 April 2020</b>	<b>£'000</b>	<b>£'000</b>
Working Capital		23,393
General Fund:		
General Reserve	17,470	
Asset Renewal Reserves	2,100	
Other Earmarked Reserves	15,513	35,083
Housing Revenue Account (HRA): -		
General Reserve	15,083	
Asset Renewal Reserves	14,705	
Major Repairs Reserve	9,801	
Other Earmarked Reserves	2,552	
Capital Financing Requirement (Including HRA)	-275,368	
PWLB Borrowing for HRA	213,572	-19,655
Capital:		
Capital Contributions Unapplied	23,362	
Usable Capital Receipts	46,657	70,019
<b>Total Deposited</b>		<b>108,840</b>

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 0.10% and kept Quantitative Easing (QE) at £745bn, on 17<sup>th</sup> September 2020. Going-forward, the Council's treasury advisor, Link, has provided the following interest rate forecasts, issued on 17<sup>th</sup> September 2020:-

	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
<b>Bank rate</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-
<b>3 month LIBID</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-
<b>6 month LIBID</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-
<b>12 month LIBID</b>	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	-	-	-	-
<b>5yr PWLB rate</b>	1.90%	1.90%	2.00%	2.00%	2.00%	2.00%	2.00%	2.10%	2.10%	2.10%	2.10%
<b>10yr PWLB rate</b>	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.20%	2.30%	2.30%	2.30%
<b>25yr PWLB rate</b>	2.50%	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%	2.70%	2.70%	2.70%	2.70%
<b>50yr PWLB rate</b>	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%

The actual vote by the MPC on 17<sup>th</sup> September 2020 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
CIP	Cambridge Investment Partnership
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)

<b>Term</b>	<b>Definition</b>
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
Low Volatility Net Asset Value (LVNAV)	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)
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
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 <sup>st</sup> 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

<b>Term</b>	<b>Definition</b>
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 <sup>st</sup> 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



## Item

### **Strategy & Resources 5 October 2020 - Finance and Resources Portfolio: Medium Term Financial Strategy (MTFS)**

**To:**

Councillor Mike Davey, Executive Councillor for Finance and Resources  
Portfolio

**Report by:**

Caroline Ryba, Head of Finance

Tel: 01223 - 458134 Email: [caroline.ryba@cambridge.gov.uk](mailto: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 Medium Term Financial Strategy

- 1.1 This report presents and recommends the budget strategy for the 2021/22 budget cycle and specific implications, as outlined in the MTFS October 2020 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 Exceptionally, the 2019 MTFS has already been reviewed and updated to reflect the actual and projected financial impacts of the Covid-19 pandemic on the council and its services. This interim update was approved by Council in July 2020. At this stage in the 2021/21 budget process the range of assumptions on which the Budget Setting Report (BSR) published in February 2020 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 further. This then provides the basis for updating budgets for 2021/22 to 2025/26. 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 specific, identifiable Covid-19 pressures, as presented in Sections 3 and 4 respectively [pages 18 to 23 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 27 refers] and reserves [section 7 pages 32 to 35 refer] of the MTFS document.

### Capital

- 2.3 To note the changes to the capital plan and funding as set out in Section 6 [pages 28 to 31 refer] and Appendix A [pages 40 to 44] of the MTFS document and agree the new proposals.

Ref.	Description / £'000s		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	<b>Proposals</b>								
SC744	L2 – Development loan to CIP		-	3,400	5,200				8,600
SC745	L2 – Equity loan to CIP		500	800	500				1,800
PV554	Development of land at Clay Farm (reprofiling existing spend)		(783)	49	14	15	705		0
	<b>Total proposals</b>		<b>(283)</b>	<b>4,249</b>	<b>5,714</b>	<b>15</b>	<b>705</b>		<b>10,400</b>

## **Reserves**

- 2.4 To agree changes to GF reserve levels, the prudent minimum balance being set at £6.33m and the target level at £7.59m as detailed in section 7 [pages 32 to 35 refer] and Appendix B [pages 45 and 46refer].

## **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 2021/22 budget process within the context of projections over the medium term. The detailed analysis undertaken to fulfil this is presented in the MTFS October 2020 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 2025/26, 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 2021/22 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 5 refers].

## **6. Background papers**

- 6.1 Background papers used in the preparation of this report:
- MTFS working papers on the 2020/21 and 2021/22 files

## 7. Appendices

The following item is included in this report:

- MTFS October 2020

## 8. Inspection of papers

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

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Version 3.0  
5 October 2020  
FINAL

# General Fund Medium Term Financial Strategy

October  
2020

2020/21 to 2025/26

Cambridge City Council



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

## **Introduction**

Cambridge City Council produces two main financial documents each year, the Budget Setting Report (BSR) and this, the Medium-Term Financial Strategy (MTFS). Once approved by Full Council the BSR delegates the authority to run the council to our Officers, thereby providing services to the city and applying charges and fees in accordance with the budget. The MTFS fulfils an important role in the calendar, drawing together a review of financial information halfway through the year, making assumptions and forecasts for the future and providing a basis on which to prepare the budget for the year ahead.

## **Protecting our city through the Covid-19 pandemic**

The pandemic has had a profound impact on the daily life of the people of Cambridge. The national and international response to Coronavirus which culminated in the 'lockdown' that commenced at the end of March resulted in substantially reduced economic activity in the city. Like all other sectors of the economy this has created a significant challenge to planning the City Council's finances. To address the early and immediate impacts of the crisis an Interim MTFS was prepared and was presented at the Strategy and Resources Committee in July. The forecasting undertaken at that time indicated a net overspend of £9.8m. The most significant costs were from loss of income from car parking services and Cambridge Live, allied to increased spending on housing and homelessness. A number of savings measures were proposed across the council reducing the assumed budget gap to £2.1m.

Since the presentation of the Interim MTFS further detailed work has been undertaken in identifying the savings requirements, although the initial forecasts remain fairly accurate. It is important to stress that where possible the savings made relate to costs that can be delayed or deferred until a later date, and always in light of the core priorities of the council, namely tackling poverty, building more council houses and addressing climate change. However, when faced with such a shortfall it will be necessary to move some of our reserves to support revenue expenditure.

This does not mean a fundamental change to our ongoing strategy of primarily using reserves for investment, but simply recognises the immediate and pressing need caused by the crisis. Whilst we are fortunate to have reserves available, this is due to responsible and prudent management and we will continue to be guided by the mantra 'you can only spend reserves once'. Because of the ongoing uncertainty work has been undertaken to identify a base line over the next 5 years and then a best- and worst-case scenario. I would draw your attention to this work. It would be our belief that the economic impacts of Covid-19 will only start to be felt next year and the implications will be long term.

## **Tackling poverty**

The uncertainty caused by the pandemic is exacerbated by the historical impact of the policy of austerity implemented by successive governments. The legacy of this policy is that public services in Cambridge have been cut year after year, while at the same time letting market forces dictate rising costs e.g. energy. 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. One of the impacts of the pandemic has to been to foster an enhanced sense of "community", and the mutual aid networks are evidence of this. This will be allied to reviews of some of our Services. These reviews will be evidenced based and focus on outcomes. The council will continue to strive to improve our work and we will listen to our residents about the things that mean most to them. Everyone in Cambridge deserves the opportunity to share in our city's prosperity.

## **Managing Brexit**

As if the above isn't sufficient challenge the impact of leaving the EU looms large. As of August 2020, the outcome of the post-Brexit trade talks between the EU and the British Government remain uncertain. There is the potential for additional trade barriers with the EU hampering business activity. The worst scenarios for Brexit (UK Government, 2018) suggested an 8% reduction in GDP over a period of years whereas the Covid-19 crisis is already estimated to have reduced UK GDP by 13.8% in a single year. Whilst Cambridge is likely to be in a stronger position than most to manage the impact, it would be foolhardy not to cast a weather eye on the ramifications, and the council, like all institutions will be affected by further uncertainty.



## **Shortfalls in government funding**

It remains unclear how much additional funding will be made available by the government to offset the City Council's costs in managing COVID-19. It is possible we may get a small increase in funding for work we undertook to combat rough sleeping and homelessness, but we do not expect to get very much. The pandemic has also caused a delay to the Fair Funding Review which will ultimately have far reaching implications for the City Council's income. We await further clarity as to when the review will be completed.

## **Our strategy**

This is the challenging context within which we will develop our financial plans. As I hope can be seen, this is not easy as we are planning against a background of unprecedented uncertainty. We remain unsure of what limited funding will be provided by the government, despite early promises at the start of the pandemic to cover extra costs incurred by the council as a result of Covid-19. Therefore, developing other income streams will become ever more important and it remains our stated ambition to continue to use reserves as a tool for investment as opposed to offsetting short term immediate costs. However, this is not always feasible and it's against the background of the pandemic we therefore propose, based on current assumptions, to use £2.9m of reserves to support revenue expenditure next year.

The MTFS identifies the pressures we face in the years ahead. It will enable us to secure existing services and where possible to plan important new services and initiatives. Our primary goals will remain consistent, namely, to fight poverty and 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. Against this we will maintain our commitment to the most deprived areas of the city, and those most likely to be adversely affected by the coronavirus. This MTFS will also help us plan the Budget Setting Report for 2021/22 which will be published in January. It embraces the core financial objectives of this council, namely sound and prudent financial management. We will continue to invest for the future and strive to create a fairer and more equal city for all.

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

**Cllr Mike Davey – 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. This year, consideration is given to the current and potential future financial impacts of the Covid-19 pandemic.

Due to the significant financial impacts of the Covid-19 crisis on the council, MTFS 2019 has been updated on an interim basis to provide an analysis of increased costs, income losses and additional government funding received. The update set out a number of mitigations, including changes to revenue and capital budgets, with a view to achieving a balanced budget outturn for 2020/21. The interim update was approved by council in July 2020.

This MTFS identifies:

- Items which require immediate action or approval
- Items which provide context for decisions on the strategy or budget process:
  - o The level of savings requirements over the next five years
  - 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.

## 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/November 2020 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
<b>2020</b>	
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
<b>2021</b>	
4 January	Budget Setting Report (BSR) published
8 February	BSR and any budget amendment proposal considered by Strategy & Resources Scrutiny Committee
8 February	The Executive consider and recommend the BSR and Council Tax level to Council
25 February	Council approves Budget Setting Report and sets the level of Council Tax for 2021/22

# Section 2

## Policy context, priorities and external factors

### Local policy context and priorities

#### Corporate Plan

The council's [Corporate Plan](#) was approved in February 2020 at the same time as the budget for 2020/21. 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 business community 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 provided £100m for the first five years, with future funding subject to a 'gateway review' in 2019/20 to unlock further funding up to £400m. The GCP successfully passed this government gateway so was considered to be 'on track' to deliver the commitments made as part of the City Deal.

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 organisations<sup>1</sup> in Cambridgeshire, including Cambridge City Council, agreed a devolution deal with the government to form the Cambridgeshire and Peterborough

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

Combined Authority (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 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

### **Covid-19 pandemic**

The Covid-19 pandemic has had profound effects on daily life in the UK and worldwide. Starting in March 2020, travel bans, social distancing and self-isolation have substantially reduced economic activity. Through the summer a phased easing of the lockdown has been allowed, with high streets and workplaces operating with social distancing measures in place. Where increases in infection rates have been identified, local measures including limited lockdowns, have been put in place. Whilst the government has sought to soften the financial impact on individuals and businesses to support the lock-down, there are major financial consequences for councils arising from reduced income, service pressures and additional responsibilities. Whilst some funding has been made available, the level of funding provided to date does not meet the majority of budgetary pressures, many of which arise from reductions in income. There may be more funding available to councils in the future, but amounts, timing and conditions related to any funding are unknown at present.



## **The European Union (EU)**

The United Kingdom (UK) formally left the EU on 31 January 2020. An 11-month transition period started at that point during which the UK and EU will negotiate the shape of their future relationship with a new free trade agreement being a priority. Negotiations are ongoing and the likely outcome is not yet clear. It is therefore difficult to assess the likely impact on the UK economy and on businesses more locally.

## **Inflation rates**

Inflation used to drive expenditure assumptions in 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 interim update to the MTFS reflected exceptionally low inflation rates by removing all inflation increases in 2020/21 as a contribution towards balancing budgets in-year. The percentages currently applied in this MTFS, based on the Bank of England's May 2020 forecast, but also supported by the OBR's assumptions within its July 2020 Fiscal Sustainability Report, are 0.9% in 2021/22 (previously 2.1%), increasing to 2.0% in 2022/23 and later years (previously 2.3% and 2.4%). The lowering of inflation rates reflects reduced levels of economic activity and the expectation that in the longer term, CPI will settle at the 2.0% target level. Inflation rates will be reviewed again for the BSR in February 2021 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. As a result of the recent coronavirus pandemic, the Bank of England base rate fell from 0.75% to 0.25% on 13 March 2020, and then to 0.1% from 23 March 2020. The next review of the rate is due on 6 August 2020. The reduction in the base rate results in a reduction in the rates that the authority can expect to earn on its investments. However, through the use of a variety of investments as permitted by our investment strategy, we achieved average rates of return of 1.45% in 2019/20. Based on our experience of reducing returns since the pandemic started in the UK, and forecasts from our treasury advisors, we have reduced our interest rate assumptions from 1.3% to 1.1%, 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 is based upon the HRA receiving interest from the GF at the rate earned by the authority on term deposit accounts. This reflects the rate earned on deposits with minimal valuation risk, as the GF effectively indemnifies the HRA against downside risk on the value

of investments. Estimates of interest to be paid to the HRA in this MTFS have been reduced from 0.8% to 0.60%.

### **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.

## **National policy context**

### **Government spending announcements**

The Chancellor made a summer statement on 8 July 2020. It was not a full fiscal statement but an update on the economic situation and an announcement of the government's latest economic measures. The first phase of the government's response to the coronavirus was "protection"; the second phase is "jobs"; and the next phase, later in the year, will be "rebuilding". There will be a full budget and three-year spending review in the autumn.

In his statement, the Chancellor said, "Over the medium-term, we must, and we will, put our public finances back on a sustainable footing". He stressed just how severe the recent economic downturn has been and that the 25% contraction in the economy has been the same amount as it grew over the previous 18 years:

- "The Office for National Statistics (ONS) estimates that Gross Domestic Product (GDP) in April was around 25% below the level recorded in February."
- "largest annual fall in output in over three hundred years and that the unemployment rate could peak at up to 10%."

The government's fiscal policy sets the overall parameters for public sector funding, and therefore the funding that is available for local government. However, most commentators agree that it is too early for the Chancellor to reset fiscal policy or to take any firm policy decisions. As a result, we do not know whether there will be a return to "austerity" or whether the Government will follow a more

expansionist fiscal policy, where deficits (and public debt) are allowed to increase. These questions are likely to be addressed in the autumn budget, with local government funding covered in a spending review also due in the autumn.

## **Local government finance**

### **2021/22 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. The outcome of this work was expected to be consulted on in summer 2020 and implemented for 2021/22. As a result of the pandemic, implementation has been suspended with no announcement of a revised implementation date. Whilst a one-year delay is possible, longer could be needed as:

- It may not be possible to reset business rate baselines and equalise council tax if the future levels of taxation have not stabilised by 2021
- The overall finance settlement for local government is likely to be impacted by major changes to both social care and public health which are unlikely to be ready by 2021
- authorities will still be affected by the major financial upheaval following the “lockdown”.

In addition to the above, the Chancellor has announced a fundamental review of the business rates system. <https://www.gov.uk/government/publications/business-rates-review-terms-of-reference>

In the short term, the government has provided un-ringfenced Covid-19 emergency grants and grants to address specific cost pressures arising from the crisis. To date, these have been announced with little warning and allocated across local authorities in different ways. The council is taking advantage of the Coronavirus Job Retention Scheme (furloughing) where appropriate and continues to apply for specific grant funding where relevant. For example, the council has applied to the Cultural Recovery Fund for £500k to cover both the unavoidable operating costs of the Corn Exchange and some of the development costs of the 2021 Cambridge Folk Festival, and has just received confirmation of an award of £868k from the government’s Next Steps Accommodation Programme to fund temporary accommodation for rough sleepers. Funding to compensate authorities for losses of income has been announced, but at the time of writing, amounts are not yet known. Whilst this funding is welcome, it is not possible to estimate how much is likely to be received in 2020/21 and if any of these funding streams will continue in to 2021/22 and beyond.

At the Communities and Local Government Select Committee on 24 July 2020, ministers indicated that there will be a scheme to fund losses in council tax and business rates. The secretary of state said, "When information is clearer about the scale of the losses of income with respect to council tax and business rates, if necessary, we will implement a similar mechanism to the one we have seen with respect to income losses". According to the local government minister, "the principle has been accepted by the Treasury and I think that should reassure authorities that are concerned about council tax or business rates losses that there is serious protection on offer and that will be becoming fully clear in short order". Whilst plans to allow authorities to spread Collection Fund losses over three years have been announced, it is not clear whether this is the serious protection being offered here.

The Public Accounts Committee (PAC) published a report on the Government's response to the COVID crisis - <https://committees.parliament.uk/publications/2024/documents/19531/default/> - including a commentary on the funding that local government has received from central government. The PAC's main concern is that there is a lack of clarity about what the Government is funding – and that without clarity, authorities will have to make in-year cuts to services. MHCLG and the Treasury have told the committee that they are working on a "comprehensive solution to provide more certainty to local government" and that "it will look at long-term funding as part of the next spending review".

The factors above make forecasting of the overall funding available to the council over the period of this MTFS extremely problematic. The working assumption is that all elements (the FFR and the earlier business rates review) will be implemented in 2022/23 once a quantum of funding is known. Damping or other transitional arrangements are likely to be part of that implementation.

The base assumptions modelled in this MTFS are:

- The changes resulting from the FFR and business rates retention review are implemented in 2022/23
- There will be a full business rates baseline reset in that year
- Baseline Funding Levels (BFL) for district council services will not be indexed, allowing for increases in upper tier services such as Adults and Children's Social Care and Public Health.
- The local share of business rates is increased from 50% to 75%, with the District share retained at 40%

- In 2021/22, pending the baseline reset in 2022/23, the government will address accumulated business rates growth by redistributing it based on BFLs
- The impacts of the Covid crisis on collection rates and the business rates base of the city are modelled based on advice from Pixel Consulting, who support a large number of authorities in relation to local government funding. Their most likely scenario, based on current experience and forecasts from across their client authorities, has been used.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<b>Baseline funding level (BFL) / Settlement funding assessment (SFA)</b>	<b>4,272</b>	<b>4,298</b>	<b>4,027</b>	<b>4,027</b>	<b>4,027</b>	<b>4,027</b>
Growth element and other adjustments	5,117	0	1,023	585	677	771
<b>Business rates income</b>	<b>9,389</b>	<b>4,298</b>	<b>5,050</b>	<b>4,612</b>	<b>4,704</b>	<b>4,798</b>

The current set of base assumptions used to model business rate income assume a significant recovery in economic activity and therefore in business rates income. However, the growth elements shown in the table above for 2022/23 and later years are considered to be high risk and not to be a reliable source of funding for service delivery. Therefore, for the purposes of this strategy they have been taken into the projection of reserves shown in section 7. If and when receipt of these amounts becomes more certain, they can then be considered for use.

## New Homes Bonus

NHB was designed to incentivise housing growth. Amounts awarded in 2020/21 are expected to be the last awards under this scheme, with legacy payments arising from previous years being the only amounts receivable in 2021/22 and 2022/23.

The government have indicated that a new stream of funding to incentivise growth will be created, but at this stage we have no indication of either the size of the amount to be committed to this funding stream, or how it will be distributed. Therefore, no receipts of any growth-related funding have been assumed beyond those indicated for NHB.

30% of NHB is set aside each year as a contribution to the GCP investment and delivery fund. From 1 September 2020 until the end of this funding stream in 2022/23 this contribution has been reduced to 10% in response to Covid-19 funding pressures.

In previous years, the council has chosen to use NHB to fund both revenue and capital spending related principally to growth and place. However, reductions in this funding stream mean that this expenditure can no longer be supported. The resulting savings requirements were identified and allowed for in BSR 2020/21 and have been adjusted following the reduction in the contribution to the GCP fund.

Description / (£000)	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Confirmed NHB funding at February 2020 BSR</b>	<b>(4,913)</b>	<b>(2,983)</b>	<b>(1,496)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Commitments against NHB</b>						
Funding for service budgets	2,937	1,610	1,346			
Direct revenue funding of capital (DRF)	1,075	1,075				
Contribution to GCP	901	298	150			
<b>Total commitments against NHB</b>	<b>4,913</b>	<b>2,983</b>	<b>1,496</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Council tax

Council tax income in this MTFS is modelled based on a 1.99% increase per property for a band D property, reflecting an expected 2.00% referendum limit for council tax increases. In previous years, district councils have been permitted to increase band D council tax rates by 2.0% or £5, whichever was greater, however, for modelling purposes the lower increase has been assumed. As for business rates, the impact of the Covid crisis on collection and tax base has been modelled using the Pixel Consulting 'cash-based' scenario.

# Section 3

## Review of key assumptions

Budget forecasts presented in the February 2020 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 (1.5%) plus: <b>2021/22 - 2.5%</b> (previously 2.0%) and 2.0% thereafter (no change)	An additional 1% increase would cost the council approximately £260k
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)	<b>2021/22 – 0.9%</b> <b>2022/23 and after – 2.0%</b> (previously 1.8%, 2.1%, 2.3%, 2.4%)	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. An overall review of charging is currently underway, with the financial impacts of any recommended changes to be brought forward through the budget setting report in February 2021. Property rental income based on detailed projections and rent reviews.
Investment interest rate assumption	<b>2020/21 and thereafter 1.10%</b> (previously 1.3%)	Based on current projections
Interest paid on HRA cash balances	0.6% (previously 0.8%)	Based on current projections
Capital funding contributions	<b>£1.660m</b> (previously £1.880m)	Capital funding contributions at base level of £1.660m per annum with feasibility budget of <b>£83k</b> (previously £94k) or 5% of that amount.
Council Tax increase	2021/22 onwards 1.99%	A 1% change in council tax represents about £90k p.a. for the council.  In previous years, district councils have been allowed to increase band D council tax by £5 if this is greater than 2.00%. This would provide about £43k more than an increase of 1.99%.



# Section 4

## Review of budgets and savings targets

### 2019/20 outturn

A favourable variance of £2k (2018/19: £371k) after approved carry forward requests of £990k (2018/19: £923k) was recorded on net service spending in the GF for 2019/20. After variances on government funding, capital accounting adjustments, contributions to/ from earmarked reserves, the application of direct revenue funding for capital and statutory adjustments have been taken into account, the overall net effect was an increase in the GF reserve of £1,693k (2018/19: £2,034k).

Efforts to control the variance on total staffing costs through the use of a 4% vacancy factor were successful for a second year, with a small favourable variance of £39k (0.1% 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 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.

### 2020/21 budgets and the impacts of the Covid-19 pandemic

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.

The council is undertaking detailed monitoring of budgets affected by Covid-19. As at the end of July, services forecast a net unfavourable variance of £10.0m due to the pandemic, as follows.

Description / (£000)	2020/21
<b>Additional expenditure</b>	
Homelessness	1,728
Other	582
	<b>2,310</b>
<b>Income losses</b>	
Parking	3,480
Commercial income	1,238
Cambridge Live	1,385
Other	1,591
	<b>7,694</b>
<b>Total forecast Covid-19 pressure</b>	<b>10,004</b>

## In-year revenue proposals

An interim update to the MTFS was approved by council in July 2020, in which a total of £7.8m of additional income and budget savings were identified and approved to meet this shortfall. The forecast budget gap will be kept under review through the year, as additional costs and income losses crystallise and the final outturn becomes clearer. Further government funding is expected which will contribute towards balancing the budget at the year end. However, there may be a need to draw on reserves at that point.

There are no further revenue proposals for 2020/21 proposed in this report.

## Service reviews

In 2019, a number of service reviews were identified in response to the level of savings requirements identified. The first phase of these reviews is underway, with savings expected to be brought forward into the budget setting process during the autumn. A second phase of reviews is planned for 2021/22.

Alongside this existing work, the council is reviewing and refining its priorities, so that future budget decisions can be judged against what is most important for the council. Consideration is also being given to changes in service delivery as a result of the Covid-19 lockdown and the implications of these on future ways of working. Further consideration of these developments is covered in section 8, Budget strategy.

# Savings requirements

Applying changes to budget assumptions and allowing for expected ongoing pressures arising from the economic impact of the pandemic 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.

However, each year the council experiences unavoidable budget pressures and income losses from various sources. When estimating savings requirements, allowance should be made for unavoidable items which have averaged £800k to £1.0m per year over the last five years, giving an illustration of the more likely level of savings to be made.

No adjustment to smooth savings requirements across all five years using reserves has 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 and Covid-19 impacts would similarly impact the saving profile

Applying revised assumptions, the net savings requirement before unavoidable items totals around £5.7m for the 5-year period, or £9.7m allowing for unavoidable items. However, the savings requirement in 2021/22 is exceptionally challenging due to the expected continuation of significant Covid-related pressures. Therefore, it is proposed to make a contribution from reserves to delay a portion of these savings until the following year. Based on the financial modelling presented, a contribution of £2.9m in 2021/22 would almost equalise the savings requirements in the first two years.

Description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
<b>Net savings requirement – new each year (Interim update to MTFS July 2020)</b>	<b>2,356</b>	<b>(392)</b>	<b>1,953</b>	<b>627</b>	<b>600</b>	<b>5,144</b>
<b>Covid-19 impacts:</b>						
Parking income	1,069	550				
Property rents – commercial and admin buildings	749	702	720	495	495	
Cambridge Live	750					
	<b>2,568</b>	<b>1,252</b>	<b>720</b>	<b>495</b>	<b>495</b>	
Changes to business rates assumptions	(26)	(329)	235	255		
Changes to council tax assumptions	409	293	168	216		
Changes to inflation assumptions	10	(54)	(62)	(63)		
Change to initial 2025/26 savings requirement estimate resulting from detailed calculations					25	
Additional contribution to / (use of) earmarked reserves (NHB)	(261)	150				
Additional contribution to / (use of) reserves	(2,900)	1,023	585	677		
<b>Net impact of funding changes, inflation and other assumptions</b>	<b>(2,768)</b>	<b>1,083</b>	<b>926</b>	<b>1,085</b>	<b>25</b>	
<b>Net indicative changes to funding and expenditure</b>	<b>(200)</b>	<b>2,335</b>	<b>1,646</b>	<b>1,580</b>	<b>520</b>	
<b>Revised (MTFS) net savings requirement (new each year) - <u>no unavoidable</u> indicative pressure and reductions in income</b>	<b>2,156</b>	<b>2,143</b>	<b>1,264</b>	<b>561</b>	<b>(460)</b>	<b>5,664</b>
<b>Revised (MTFS) net savings requirement (new each year) - <u>with unavoidable</u> indicative pressure and reductions in income (£800k p.a.)</b>	<b>2,956</b>	<b>2,943</b>	<b>2,064</b>	<b>1,361</b>	<b>340</b>	<b>9,664</b>

The level of net savings requirement identified by this MTFS provides a baseline for detailed budget setting work, with the higher requirement illustrating the challenge when allowance is made for unavoidable calls on limited resources. Any additional net 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.

## Sensitivities

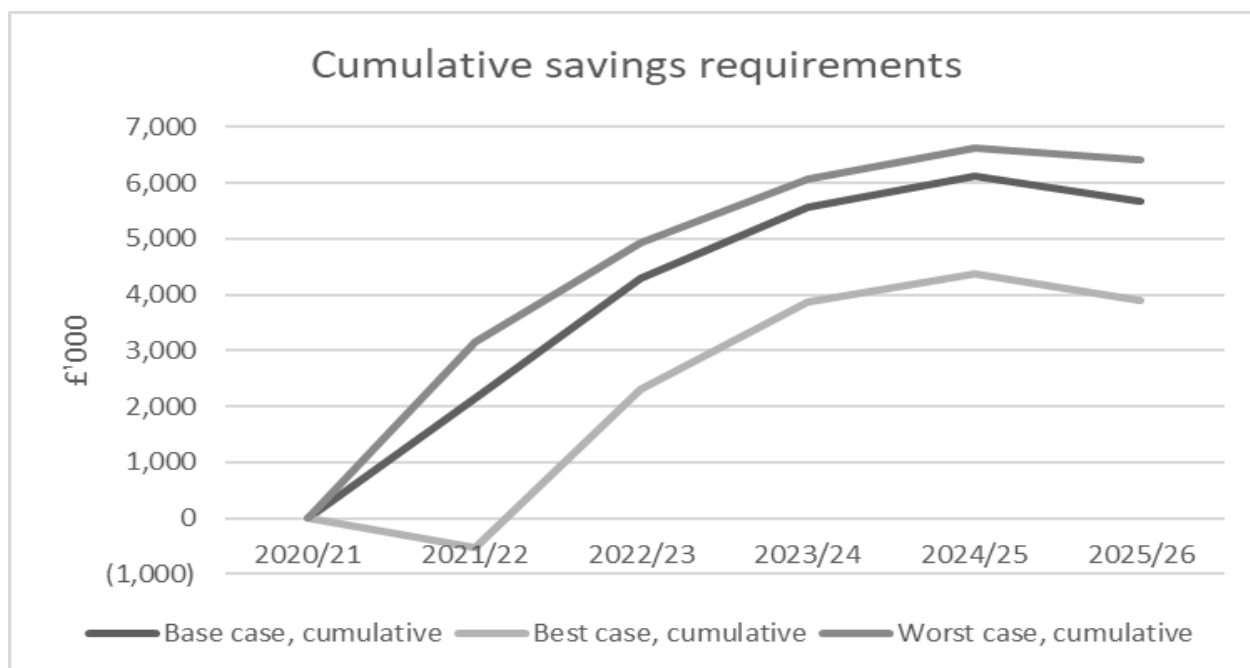
As noted in this report, the financial situation of the council is currently subject to exceptional levels of uncertainty, with both pressures arising from the pandemic and future funding streams being major contributing factors. The table above is derived from a 'base case' set of assumptions. To assist in financial planning 'best case' and 'worst case' scenarios have been modelled.

Description	Best case	Base case	Worst case
Council tax rate increase	Band D increase of £5 where greater than 1.99%	1.99% p.a.	1.99% p.a.
Council tax base	All years 2.00%	Post-Covid projections based on current expectations of local authorities advised by Pixel 2021/22 -3.7% 2022/23 1.10% 2023/24 3.20% 2024/25 1.00% (0.4% average)	All years 0%
Pay inflation	In line with CPI inflation 2021/22 – 0.9% Later years – 2.0%	2021/22 – 2.5% Later years - 2.0%	2021/22 – 3.0% 2022/23 – 2.5% Later years - 2.0%
Unavoidable revenue pressures and reductions in income	£600k p.a.	£800k p.a.	£1.00m p.a.
<b>Covid-19 ongoing pressures</b>			
All	Service forecasts reduced by 50%	In line with service forecasts	Service forecasts increased by 50%

No scenarios have been modelled for business rates as complexities within the system and the extent of future uncertainties make it difficult to identify plausible scenarios.

The following range of possible savings requirements were identified.

Savings requirements / £'000	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
<b>Base case:</b>							
In-year savings, <u>no</u> unavoidable pressures and income reductions	0	2,155	2,145	1,262	562	(460)	5,664
In-year savings including unavoidable pressures and income reductions	0	2,955	2,945	2,062	1,362	340	9,664
<b>Best case:</b>							
In-year savings, <u>no</u> unavoidable pressures and income reductions	0	(513)	2,808	1,565	514	(474)	3,900
In-year savings including unavoidable pressures and income reductions	0	87	3,921	2,165	1,114	126	7,413
<b>Worst case:</b>							
In-year savings, <u>no</u> unavoidable pressures and income reductions	0	3,142	1,775	1,146	553	(195)	6,421
In-year savings including unavoidable pressures and income reductions	0	4,142	2,775	2,146	1,553	805	11,421



## **Use of reserves to support savings requirements**

The council's GF reserve balance is above the target levels required (See section 7). At the time of writing, £2.1m of this balance is expected to be used in 2020/21 to balance the budget and it is suggested that a further £2.9m be used in 2021/22 to support service budgets and to smooth savings requirements. Further amounts over and above the target level 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 base-case projection of GF expenditure and funding results from applying the recommendations included in this report:

Description / £'000s	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Expenditure</b>						
Net service budgets - base and inflation	30,809	23,365	22,421	22,272	22,649	23,214
Allowance for unavoidable revenue pressures and reduced income	0	0	0	0	0	0
Savings delivered from prior years	0	0	(2,155)	(4,299)	(5,563)	(6,124)
<b>Net service budgets</b>	<b>30,809</b>	<b>23,365</b>	<b>20,266</b>	<b>17,973</b>	<b>17,086</b>	<b>17,090</b>
Capital accounting adjustments	(6,353)	(6,353)	(6,353)	(6,353)	(6,353)	(6,353)
Capital expenditure financed from revenue	(1,174)	3,051	1,564	1,564	1,564	1,564
Contributions to earmarked funds	1,964	813	1,299	1,699	2,180	1,617
<b>Net spending requirement before in-year savings</b>	<b>25,246</b>	<b>20,876</b>	<b>16,776</b>	<b>14,883</b>	<b>14,477</b>	<b>13,918</b>
In-year savings	(0)	(2,155)	(2,144)	(1,264)	(561)	460
<b>Net spending requirement</b>	<b>25,246</b>	<b>18,721</b>	<b>14,632</b>	<b>13,619</b>	<b>13,916</b>	<b>14,378</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(4,272)	(4,298)	(4,027)	(4,027)	(4,027)	(4,027)
Locally Retained Business Rates – Growth Element	(5,117)	0	(1,023)	(585)	(677)	(771)
New Homes Bonus (NHB)	(4,913)	(2,983)	(1,496)	-	-	0
Covid grant and furloughing income	(1,901)	0	0	0	0	0
Appropriations from earmarked funds	(1,957)	0	0	0	0	0
Council Tax	(8,687)	(8,926)	(9,395)	(9,878)	(10,175)	(10,637)
Contributions to / (from) reserves	1,601	(2,514)	1,309	871	963	1,057
<b>Total funding</b>	<b>(25,246)</b>	<b>(18,721)</b>	<b>(14,632)</b>	<b>(13,619)</b>	<b>(13,916)</b>	<b>(14,378)</b>



# 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 2021 alongside the Treasury Management Strategy Statement and the Budget Setting Report 2021/22.

# Capital plan

The capital plan was approved by council in February 2020. Since then the plan has been updated as follows:

- Projects rephased from 2019/20, £27,773k
- Interim update to the MTFS - £1,745k spend deleted and £1,485k spend deferred to 2021/22 and a further £50k deleted from 2022/23 to mitigate Covid-19 financial pressures
- New projects funded from developers' contributions, see below - £1,028k

Ref.	Description / £'000s	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	<b>Approved since BSR Feb 2020:</b>							
SC739	Abbey Pool improvements (S106)	425	-	-	-	-	-	425
SC740	Chesterton Rec pavilion (S106)	178	-	-	-	-	-	178
SC741	Nightingale Rec Ground pavilion (S106)	425	-					423
	<b>Total Approved since BSR Feb 2020</b>	<b>1,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,028</b>

Mid-year capital proposals totalling £10.4m are presented for approval as follows:

**L2 Orchard Park development and equity funding (£10,400k in total):** Detailed proposals for this development will be put before the Housing Scrutiny Committee on 24 September for approval. The development is being delivered by CIP and will generate a surplus for the council on completion and an opportunity for the HRA to purchase the affordable housing on the site. This proposal is for the council to provide equity and development loans to CIP, earning 5% p.a. on these loans.

In addition to the above, commercial property on the site of the HRA's Colville Road III redevelopment is held in the council's GF as income-generating assets. Officers are exploring how to identify the costs that should be financed by the GF. At this stage, the full scheme cost has been incorporated into the HRA Medium Term Financial Strategy and Housing Capital Plan, to allow the scheme to proceed.

Ref.	Description / £'000s	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	<b>Proposals</b>							
SC744	L2 – Development loan to CIP	-	3,400	5,200				8,600
SC745	L2 – Equity loan to CIP	500	800	500				1,800
PV554	Development of land at Clay Farm (reprofiling existing spend)	(783)	49	14	15	705		0
	<b>Total proposals</b>	<b>(283)</b>	<b>4,249</b>	<b>5,714</b>	<b>15</b>	<b>705</b>		<b>10,400</b>

The table below shows the impact of these changes on the overall capital plan. The resulting detailed capital plan is provided in Appendix A(a) and its funding in Appendix A(b).

Capital plan / £'000s	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
<b>Capital plan as approved at BSR Feb 2020</b>	<b>33,962</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>	<b>466</b>	<b>121,771</b>
Changes approved and adjustments made in year	25,571	1,485					27,056
<b>Current approved capital plan</b>	<b>59,533</b>	<b>32,297</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>	<b>466</b>	<b>148,827</b>
Mid year capital spending proposals	(283)	4,249	5,714	15	705		<b>10,400</b>
<b>Revised capital plan</b>	<b>59,250</b>	<b>36,546</b>	<b>24,744</b>	<b>29,877</b>	<b>8,344</b>	<b>466</b>	<b>159,227</b>

# Funding

£'000s	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
<b>BSR Feb 2020: Funding available from revenue and unapplied</b>		(577)	(1,070)	(1,100)	(1,100)	(1,100)	(4,947)
Feasibility funding adjustment – to reduce funding in line with reductions in DRF		(11)	(11)	(11)	(11)	(11)	(55)
Funding released – spend re-allocated to R&R fund (refuse vehicle)		(375)					(375)
	-	(963)	(1,081)	(1,111)	(1,111)	(1,111)	(5,377)
<b>Changes approved and adjustments made in year:</b>							
<b>Spend:</b>							
Schemes approved since BSR 2020	1,028						1,028
Proposed	(283)	4,249	5,714	15	705		10,400
	<b>745</b>	<b>4,249</b>	<b>5,714</b>	<b>15</b>	<b>705</b>		<b>11,428</b>
<b>Funding:</b>							
S106	(1,028)						(1,028)
Internal borrowing	283	(4,249)	(5,714)	(15)	(705)		(10,400)
	<b>(745)</b>	<b>(4,249)</b>	<b>(5,714)</b>	<b>(15)</b>	<b>(705)</b>		<b>(11,428)</b>
<b>Revised capital funding availability</b>	-	<b>(963)</b>	<b>(1,081)</b>	<b>(1,111)</b>	<b>(1,111)</b>	<b>(1,111)</b>	<b>(5,377)</b>
<b>Memo: 5% top-slice of DRF (£1,660k) – revenue feasibility budget</b>		<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>415</b>

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 2021 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 risks and uncertainties which could affect its financial position. Additional risks have been identified in relation to the Covid-19 crisis, which has also increased the potential impact of existing risks. The table below summarises risks to the financial standing and sustainability of the council, using a High-Medium-Low assessment.

Risk	Probability (H, M, L)	Impact (H, M, L)	Overall assessment (H, M, L)	Mitigation
The economic impact of the Covid-19 pandemic (with a second spike or long, slow recovery) may impact some of the council's costs and income streams in future years. This could include the costs of homelessness, car parking income, commercial rents and planning fee income, with the degree of impact difficult to predict	H	H	<b>H</b>	Management overview, further government funding
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	H	H	<b>H</b>	Management overview
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	H	H	<b>H</b>	Engagement with partners, strategic planning to mitigate service delivery and financial pressures
Funding from central government (Settlement Funding Assessment, including the outcome of the Fair Funding Review and other grants) may fall below projections	M	H	<b>H</b>	Monitor developments, plan delivery of savings and additional income, consider limited use of reserves
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	M	H	<b>H</b>	Monitor developments, plan delivery of savings and additional income, consider limited use of reserves

<b>Risk</b>	<b>Probability (H, M, L)</b>	<b>Impact (H, M, L)</b>	<b>Overall assessment (H, M, L)</b>	<b>Mitigation</b>
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 the outcome of a test case has been appealed	L	H	<b>H</b>	Review provision regularly
The actual impact and timing of local growth on the demand for some services may not reflect projections used.	M	M	<b>M</b>	Management overview and use of up-to-date data and intelligence
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;	M	M	<b>M</b>	Review of savings delivery and co-design of services
Unforeseen expenditure, such as major repairs to offices and commercial properties, may be required	L	M	<b>M</b>	Property condition surveys, review of property use
Assumptions and estimates, such as inflation, pay increases and interest rates, may prove incorrect	L	M	<b>M</b>	Management overview and monitoring
Savings plans may not deliver projected savings to expected timescales	L	M	<b>L</b>	Management overview and monitoring
Increases in council tax and business rates receipts due to local growth may not meet expectations	M	L	<b>L</b>	Management overview and monitoring
New legislation or changes to existing legislation may have budgetary impacts	L	M	<b>L</b>	Management overview and monitoring
The council may be impacted by spending cuts implemented by other agencies	H	L	<b>L</b>	Engagement with partners

# 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, particularly the heightened financial risks in relation to the Covid-19 pandemic. As a result, an increase in PMB is recommended.

The PMB will be reassessed during the budget setting process, as the current pandemic situation is volatile and changes in this risk may indicate that the PMB should be either reduced or increased at that point. Detailed calculations of these amounts are provided in Appendix B.

<b>General Fund reserves</b>	<b>£m</b>
February 2020 BSR	
- Target level	6.61
- Minimum level (PMB)	5.51
October 2020 MTFS – Recommended levels	
- Target level	7.59
- Minimum level (PMB)	6.33

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

<b>Description / £'000s</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
<b>Balance at 1 April (b/fwd)</b>	<b>(17,470)</b>	<b>(19,071)</b>	<b>(16,557)</b>	<b>(17,866)</b>	<b>(18,737)</b>	<b>(19,700)</b>
Contribution (to) / from reserves per BSR 2020/21	(5,776)	(386)	(286)	(286)	(286)	(286)
Carry forwards	1,087					
Business rates growth - growth element	918	0	(1,023)	(585)	(677)	(771)
Use of reserves to support revenue spending in services	2,170	2,900				
<b>Balance at 31 March (c/fwd)</b>	<b>(19,071)</b>	<b>(16,557)</b>	<b>(17,866)</b>	<b>(18,737)</b>	<b>(19,700)</b>	<b>(20,757)</b>

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 funding reforms and the impact of Brexit uncertainty alongside a worsening global and national financial outlook as a result of the Covid-19 pandemic. 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 for a summary of principal earmarked funds.

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.

Through the interim update to the MTFS in July, £734k was released from the Office Accommodation Strategy reserve as capital schemes were deleted pending re-evaluation of office accommodation needs and a further £892k was approved for direct transfer from earmarked reserves, both amounts to fund Covid-19 spending pressures in the interim update to the MTFS in July 2020.

Type of earmarked or specific fund	Balance at 31 March 2020 £000	Balance at 31 March 2019 £000
Major policy-led funds	2,661	11,518
Asset replacement funds (R&R)	2,100	1,618
Statutory and accounting reserves	4,332	3,648
Shared / partnership funds	7,341	7,300
Other – to be closed once committed balances are spent	1,179	964
<b>Total</b>	<b>17,613</b>	<b>25,048</b>



# Section 8

## Budget strategy

### General Fund savings requirements

Description / £'000	2021/22	2022/23	2023/24	2024/25	2025/26	Total
<b>Net savings requirement (BSR Feb 2020)</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>598</b>	<b>3,138</b>
Net impact of the Covid-19 response in the interim MTFS and subsequent changes in assumptions in this report	1,520	1,509	629	(74)	(1,058)	2,526
<b>Revised (MTFS) net savings requirement</b>	<b>2,155</b>	<b>2,144</b>	<b>1,264</b>	<b>561</b>	<b>(460)</b>	<b>5,664</b>

### General Fund budget strategy

#### Budget process

The GF budget process for 2021/22 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 2021/22 budget process and provided indications of the level of savings required to meet both current and anticipated spending needs.

The GF MTFS has highlighted:

- Unprecedented financial uncertainties for the council as the impacts of Covid-19 feed through into the national and local economy, further exacerbated by the forthcoming end of the Brexit transition period

- An ongoing lack of clarity in the future direction of local government funding
- Increasing pressure on council services as a result of Covid-19 and its impact on vulnerable residents, local businesses and visitors, alongside the need to deliver services in a Covid-safe way, all with consequent additional cost
- 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

## **New ways of working and maintaining priorities**

The Council's commitments to address poverty, housing need and homelessness, and climate change remain, and we will continue to invest our resources to prioritise this work. For example, and with regard to the latter, these will include investing to reduce our own energy usage and bills and the carbon emissions from our fleet, buildings and assets. We remain committed to replace our non-waste vehicle fleet with electric vehicles in the coming years. We must not forget these core areas of work and deliver against existing promises.

However, it is imperative that even in the most difficult of times that we continually look to improve our Services. Bringing delivery closer to communities and working in alignment with our statutory partners to ensure a better fit with local capacity and needs, we can increase representation and participation by rethinking the relationship between the council and residents. The community response to the Covid-19 pandemic and lockdown and the development of mutual aid networks has shown the level of skill and the ability to deliver that already exists within our communities. This is combined with a real appetite within communities for greater involvement in activities which support their local areas.

Therefore, the council will be embarking on a transformation process centred around a review of how it works both externally with residents, communities, partners and others, as well internally across departments and teams.

- We hope to build community capacity, working co-operatively and collaboratively to care for the city; addressing the long-term causes of 'wicked issues' such as poverty and inequality. We will take a local or 'neighbourhood' approach, ensuring a closer relationship with communities and targeting resources at the areas of greatest need.
- The council will encourage an 'enabling' role through our influence on other stakeholders, increasing our impact in areas like anti-poverty and climate change, where many activities which have the greatest impact are outside our direct control; ensuring better outcomes for

our communities and making best use of the incredible knowledge, capacity and skills which exist in Cambridge as a city

- We will aim to work as an agile, dynamic organisation, informed by evidence and insight about local need, targeting its skills, capacity and resources towards the most important priorities and outcomes for the community, innovating and improving its services, delivering them from whichever place is the best fit for the job.

## **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 approach to service review and savings delivery has been refocused into reflect the 'new ways of working' thinking outlined above.

It is also proposed that we will review of the way the council sets its fees and charges and continuing work on developing investments to provide regular income streams will directly address the financial sustainability of the council.

The BSR 2021 will present budget proposals for savings and increased income, and bids for the delivery and implementation costs arising from these initiatives, including anticipated costs of change.

# 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 no end in sight to the Covid-19 pandemic or its economic effects. 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
- 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.

Delivery of projects has been strengthened by:

- 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

**Appendix A(a): Capital Plan 2020/21 to 2025/26**

Ref.	Description	Lead Officer	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)
<b>Capital-GF Projects</b>								
PR030h	S106 Romsey 'town square' public realm improvements	J Richards	7	0	0	0	0	0
PR031q	S106 Bramblefields nature reserve: to improve biodiversity and access	A Wilson	2	0	0	0	0	0
PR031r	S106 Chesterton Rec Ground skate and scooter park	J Richards	50	0	0	0	0	0
PR032w	S106 Accordia open space improvements	A Wilson	5	0	0	0	0	0
PR032y	S106 Trumpington Rec Ground skate park	J Richards	3	0	0	0	0	0
PR032z	S106 Trumpington Rec Ground trim trail and climbing frame	A Wilson	7	0	0	0	0	0
PR040z	S106 Public art: Historyworks: Michael Rosen Walking Trail 2	N Black	10	0	0	0	0	0
PR042d	S106 Romsey Mill community facility grant	J Hanson	21	0	0	0	0	0
PR042g	S106 To the River - artist in residence	N Black	60	0	0	0	0	0
PR042m	Public art grant - Chesterton village sign (S106)	N Black	10	0	0	0	0	0
PR042n	Public art grant - HistoryWorks: Travellers and Outsiders (S106)	N Black	15	0	0	0	0	0
PR050d	Mobile working (OAS)	D Prinsep	15	0	0	0	0	0
PR050g	Office optimisation (OAS)	D Prinsep	50	0	0	0	0	0
SC548	S106 Southern Connections Public Art Commission	A Wilson	13	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Kelly	20	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Car Parks	S Cleary	200	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	F Bryant	14	0	0	0	0	0
SC627	Guildhall Large Hall Windows refurbishment	W Barfield	0	101	0	0	0	0
SC633	S106 Reinforcing grass edges along paths across Parker's Piece	A Wilson	77	0	0	0	0	0
SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	G Theobald	42	0	0	0	0	0
SC645	Electric vehicle charging points	J Dicks	386	0	0	0	0	0
SC646	Redevelopment of Cambridge Junction	J Wilson	31	219	0	0	0	0
SC651	Shared ICT waste management software - Alloy/Yotta	J Carré	297	0	0	0	0	0
SC654	Redevelopment of Silver Street Toilets	D O'Halloran	0	476	0	0	0	0
SC655	Resealing the roof at Robert Davies Court	W Barfield	177	0	0	0	0	0
SC658	Cambridge City CCTV infrastructure	J Carré	12	0	0	0	0	0
SC659	My Cambridge City online customer portal	E Rospigliosi	46	0	0	0	0	0

Ref.	Description	Lead Officer	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)
SC660	Council Anywhere - desktop transformation	F Bryant	204	18	0	0	0	0
SC662	Shared Planning Service software implementation	S Kelly	32	0	0	0	0	0
SC672	Mill Road Redevelopment - Development Loan to CIP	C Ryba	7,100	0	0	0	0	0
SC674	Mill Road Redevelopment - Equity Loan to CIP	C Ryba	4,265	0	0	0	0	0
SC678	Crematorium - additional car park	G Theobald	339	0	0	0	0	0
SC679	Crematorium - cafe facilities	G Theobald	307	0	0	0	0	0
SC680	CCTV equipment upgrade	J Carré	3	0	0	0	0	0
SC684	Property Management software	P Doggett	96	0	0	0	0	0
SC688	Environmental Health software	J Carré	40	0	0	0	0	0
SC689	Income management software	C Norman	15	32	0	0	0	0
SC690	Secure phone payments	C Norman	24	0	0	0	0	0
SC691	HRIS new system	D Simpson	149	0	0	0	0	0
SC692	CHUB - community extension to Cherry Hinton library	J Hanson	766	0	0	0	0	0
SC693	Lion Yard shopping centre investment	D Prinsep	6,000	0	0	0	0	0
SC694	Meadows Community Hub and Buchan St retail outlet	C Flowers	2,594	1,892	0	0	0	0
SC695	Cromwell Road Redevelopment - equity loan to CIP	C Ryba	5,000	350	0	0	0	0
SC696	Cromwell Road Redevelopment - development loan to CIP	C Ryba	13,500	1,000	0	0	0	0
SC700	S106 Nightingale community garden hut	G Belcher	11	0	0	0	0	0
SC701	Dales Brewery fire alarm system	C Mitchell	2	0	0	0	0	0
SC708	Replacement plantroom at Jesus Green outdoor pool	I Ross	140	0	0	0	0	0
SC710	Guildhall Small Hall wooden floor	J Wilson	0	45	0	0	0	0
SC711	Guildhall PA system	J Wilson	0	25	0	0	0	0
SC712	Automation of Bishops Mill sluice gate	A Wilson	90	0	0	0	0	0
SC713	Replacement air quality monitoring equipment	J Smith	200	0	0	0	0	0
SC714	Changing Places toilets at Quayside	A Wilson	100	0	0	0	0	0
SC715	Additional refuse vehicle for property growth shared with SCDC	T Nicoll	0	375	0	0	0	0
SC716	Replacement telephony system with call centre	E Rospigliosi	150	0	0	0	0	0
SC718	Data centre capacity growth 2020-2024	F Bryant	34	0	0	0	0	0

Ref.	Description	Lead Officer	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)
SC719	Cyber security improvements	F Bryant	10	0	0	0	0	0
SC721	Call management for 3C ICT service desk	F Bryant	7	0	0	0	0	0
SC722	Purchase of link tip bodies	T Nicoll	18	0	0	0	0	0
SC724	Provision of extra electric charging points	S Cleary	50	50	0	0	0	0
SC727	Logan's Meadow vehicular access	J Carré	32	0	0	0	0	0
SC731	Cambridge Food Hub	S Roden	100	0	0	0	0	0
SC732	Park Street car park development	F Bryant	9,744	26,521	18,534	29,396	7,173	0
SC734	Grant for Arbury Court meeting room - voluntary services (S106)	J Hanson	3	0	0	0	0	0
SC735	S106 Grant for Chesterton Methodist Church improvements	J Hanson	15	0	0	0	0	0
SC736	S106 Grant for St George's Church improvements	J Hanson	15	0	0	0	0	0
SC738	Wilberforce Road artificial pitches (S106)	I Ross	250	0	0	0	0	0
SC739	Abbey Pool improvements (S106)	I Ross	380	0	0	0	0	0
SC740	Chesterton Rec pavilion (S106)	I Ross	178	0	0	0	0	0
SC741	Nightingale Rec Ground pavilion (S106)	I Ross	425	0	0	0	0	0
SC742	L2 development loan to CIP	C Ryba	0	3,400	5,200	0	0	0
SC743	L2 equity loan to CIP	C Ryba	500	800	500	0	0	0
<b>Capital-GF Projects</b>			<b>54,458</b>	<b>35,304</b>	<b>24,234</b>	<b>29,396</b>	<b>7,173</b>	<b>0</b>
<b>Capital-Programmes</b>								
PR010	Environmental Improvements Programme	J Richards	180	0	0	0	0	0
PR010a	Environmental Improvements Programme - North Area	J Richards	14	0	0	0	0	0
PR010b	Environmental Improvements Programme - South Area	J Richards	48	0	0	0	0	0
PR010c	Environmental Improvements Programme - West/Central Area	J Richards	58	0	0	0	0	0
PR010d	Environmental Improvements Programme - East Area	J Richards	47	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	695	200	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (S106)	T Nicoll	143	0	0	0	0	0
PR039	Minor Highway Improvement Programme	J Richards	48	30	30	0	0	0
PR050	Office Accommodation Strategy Phase 2 (OAS)	D Prinsep	24	0	0	0	0	0
PR051	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	W Barfield	58	0	0	0	0	0
PR053	Commercial property repair and maintenance	W Barfield	225	300	300	300	300	300

Ref.	Description	Lead Officer	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)
PR054	Administrative buildings maintenance	W Barfield	94	216	166	166	166	166
<b>Capital-Programmes</b>			<b>1,634</b>	<b>746</b>	<b>496</b>	<b>466</b>	<b>466</b>	<b>466</b>
<b>Capital-GF Provisions</b>								
PV007	Cycleways	J Richards	0	387	0	0	0	0
PV018	Bus Shelters	J Richards	1	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	0	60	0	0	0	0
PV554	Development Of land at Clay Farm	D Prinsep	357	49	14	15	705	0
PV682	Local investment bond	C Ryba	2,800	0	0	0	0	0
<b>Capital-GF Provisions</b>			<b>3,158</b>	<b>496</b>	<b>14</b>	<b>15</b>	<b>705</b>	<b>0</b>
<b>Total GF Capital Plan</b>			<b>59,250</b>	<b>36,546</b>	<b>24,744</b>	<b>29,877</b>	<b>8,344</b>	<b>466</b>



## Appendix A(b): Capital Funding 2020/21 to 2025/26

Description	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)
<b>External Support</b>						
Developer Contributions	(1,844)	0	0	0	0	0
Prudential Borrowing	(9,744)	(26,521)	(18,534)	(29,396)	(7,173)	0
Other Sources	(591)	(93)	0	0	0	0
<b>Total - External Support</b>	<b>(12,179)</b>	<b>(26,614)</b>	<b>(18,534)</b>	<b>(29,396)</b>	<b>(7,173)</b>	<b>0</b>
<b>City Council</b>						
Direct Revenue Financing (DRF) - GF Services	(60)	0	0	0	0	0
Direct Revenue Financing (DRF) - Use of Reserves	(3,180)	(2,677)	(1,577)	(1,577)	(1,577)	(1,577)
Earmarked Reserve - Capital Contributions	(3,573)	0	0	0	0	0
Earmarked Reserve - Office Accommodation Strategy	(24)	0	0	0	0	0
Earmarked Reserve - Repair & Renewals Fund	(889)	(575)	0	0	0	0
Internal Borrowing - Temporary Use of Balances	(39,300)	(7,491)	(5,714)	(15)	(705)	0
Usable Capital Receipts	(45)	(152)	0	0	0	0
<b>Total - City Council</b>	<b>(47,071)</b>	<b>(10,895)</b>	<b>(7,291)</b>	<b>(1,592)</b>	<b>(2,282)</b>	<b>(1,577)</b>
<b>Total Available Finance</b>	<b>(59,250)</b>	<b>(37,509)</b>	<b>(25,825)</b>	<b>(30,988)</b>	<b>(9,455)</b>	<b>(1,577)</b>
<b>Capital Plan</b>	<b>59,250</b>	<b>36,546</b>	<b>24,744</b>	<b>29,877</b>	<b>8,344</b>	<b>466</b>
<b>Net Funding Available</b>	<b>0</b>	<b>(963)</b>	<b>(1,081)</b>	<b>(1,111)</b>	<b>(1,111)</b>	<b>(1,111)</b>

# 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	31,394,880	62,790
Premises costs	Low	7,494,240	14,988
Transport costs	Low	671,810	2,687
Supplies and services	Low	36,001,820	18,001
Grants and transfers	Low	28,496,400	28,496
Grant income	Low	35,944,760	35,945
Other income	High	63,136,280	1,420,566
Miscellaneous	Low	379,210	569
Total one year operational risk			1,584,043
<b>Allowing three years cover on operational risk</b>			<b>4,752,000</b>

General and specific risks	Amount (£)	Probability (%)	
Unforeseen events	1,000,000	30%	300,000
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	1,000,000	50%	500,000
Cover for lower level of earmarked and specific reserves	500,000	30%	150,000
Fuel cost inflation - currency fluctuations due to Brexit	100,000	50%	50,000
<b>General risks</b>			<b>1,575,000</b>

<b>Prudent Minimum Balance (PMB)</b>	<b>6,327,000</b>
<b>Target (PMB + 20%)</b>	<b>7,592,000</b>

<b>Operational cost risk profiles</b>					
		<i>Low</i>	<i>Medium</i>	<i>High</i>	
Employee costs	overspend	1.00%	3.00%	5.00%	
	£31,394,880 probability	20.0%	15.0%	10.0%	
	<b>amount at risk</b>	<b>£62,790</b>	<b>£141,277</b>	<b>£156,974</b>	
Premises costs	overspend	1.00%	3.00%	5.00%	
	£7,494,240 probability	20.0%	15.0%	10.0%	
	<b>amount at risk</b>	<b>£14,988</b>	<b>£33,724</b>	<b>£37,471</b>	
Transport costs	overspend	2.00%	4.00%	6.00%	
	£671,810 probability	20.0%	15.0%	10.0%	
	<b>amount at risk</b>	<b>£2,687</b>	<b>£4,031</b>	<b>£4,031</b>	
Supplies and services	overspend	1.00%	3.00%	5.00%	
	£36,001,820 probability	5.0%	10.0%	15.0%	
	<b>amount at risk</b>	<b>£18,001</b>	<b>£108,005</b>	<b>£270,014</b>	
Grants and transfers	overspend	1.00%	2.00%	3.00%	
	£28,496,400 probability	10.0%	7.5%	5.0%	
	<b>amount at risk</b>	<b>£28,496</b>	<b>£42,745</b>	<b>£42,745</b>	
Grant income	overspend	1.00%	2.00%	3.00%	
	£35,944,760 probability	10.0%	7.5%	5.0%	
	<b>amount at risk</b>	<b>£35,945</b>	<b>£53,917</b>	<b>£53,917</b>	
Other income	overspend	5.00%	10.00%	15.00%	
	£63,136,280 probability	5.0%	10.0%	15.0%	
	<b>amount at risk</b>	<b>£157,841</b>	<b>£631,363</b>	<b>£1,420,566</b>	
Other	overspend	1.00%	2.00%	3.00%	
	£379,210 probability	15.0%	10.0%	5.0%	
	<b>amount at risk</b>	<b>£569</b>	<b>£758</b>	<b>£569</b>	

# Appendix C

## Principal earmarked and specific funds

Fund	Balance at 1 April 2020	Anticipated contributions	Forecast expenditure	Forecast balance at 31 March 2025
Greater Cambridge Partnership (formerly City Deal) Investment and Delivery Fund	(5,328)	(1,349)	6,677	0
Sharing Prosperity Fund	(85)	0	85	0
Climate Change Fund	(129)	(500)	500	(129)
Asset Replacement Fund (R&R)	(1,575)	(3,250)	5,000	175
Bereavement Services Trading Account	(525)	(800)	1,518	193
Local Plan Development Fund	(943)	(600)	1,823	280
A14 Mitigation Fund	(1,500)	0	1,500	0
Cambridge Live Development Plan	(213)	0	213	0
<b>Total</b>	<b>(10,298)</b>	<b>(6,499)</b>	<b>17,316</b>	<b>519</b>

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 Fund is used to fund work with South Cambridgeshire District Council on the joint Local Plan.



## Service Review: Customer Services

**To:**

The Executive Councillor for Finance & Resources: Councillor Mike Davey  
Strategy and Resources Scrutiny Committee – 5 October 2020

**Report by:**

Elissa Rospigliosi, Head of Transformation  
Tel: 01223 457454

Email: [Elissa.Rospigliosi@cambridge.gov.uk](mailto:Elissa.Rospigliosi@cambridge.gov.uk)

**Wards affected:**

All

### 1. Introduction / Executive Summary

1.1 Over the past two years the Council has invested significantly in digital technology to allow our customers to access services in new, more effective ways. The Covid-19 pandemic has also caused us to make changes to our customer services provision to respond to the national lockdown, by closing our face to face services and supporting our customers to move to other ways of accessing services.

1.2 To take account of these changes, a review of Customer Services has been carried out to identify the right service model for the future. This report sets out the findings and recommendations from the review.

1.3 The review proposes:

- carrying out work to improve the efficiency and resilience of Customer Services, and delivering a wider transformation plan to improve the customer experience and build a stronger customer service culture across the Council
- working with customers to encourage take-up of the digital self-service channels we are introducing, including enhanced 'assisted self-service' support for customers who need help accessing digital channels, and

- other digital inclusion activities for customers accessing Council services
- introducing an appointment-only face to face customer services model, alongside the continued provision of telephony – including closure of the cash offices at Mandela House and Arbury Road, and support for customers who pay in cash to move to different channels, supported by a triage model to make sure vulnerable customers are able to access the support they need.

## **2. Recommendations**

The Executive Councillor for Finance and Resources is recommended:

- 2.1 To approve the changes to Customer Services provision detailed in the body of the report, including, where necessary, introducing a revised staffing structure.
- 2.2 To delegate to the Head of Transformation the work to implement these changes, noting that the staff restructure is subject to consultation with staff and unions and engagement with tenant representatives on issues affecting the Council's tenants and leaseholders, and that the changes will be signed off by the Leader in accordance with the Council's Organisational Change policy.

## **3. Background**

3.1 The Customer Service Centre manages telephone, email and social media contacts into the Council and runs the face to face contact centre at Mandela House. The Council has also provided face to face contact arrangements at 171 Arbury Road, managed by Housing Services. At Mandela House, customers have historically received a blended face to face service. Customer Service Advisors have facilitated a drop-in service for Housing customers to see an advisor at any time, with appointments used for Council Tax and Benefits enquiries in the afternoons. Customers have been able to make payments at the cash

office or via the payment kiosk, use the self-service computer area or meet with staff from other services such as housing advice or licensing.

3.2 The Council has invested significantly in technology over the last two years to support delivery of its Digital Transformation Strategy. This has enabled an ambitious modernisation programme, currently in progress, to replace a number of legacy back-office IT systems and to integrate these with a single, self-service online access point, the My Cambridge customer portal, which sits alongside the existing website. This has been accompanied by reviews of our business processes to improve customers' experience of Council services, including the timeliness and efficiency of the ways their enquiries are handled.

3.3 The outcomes of this work will be that:

- customers will be able to access transactions, view the progress of their enquiries and the history of their interactions with the Council in a single place
- customers will be able to access these services when they want, and from wherever they want, without being restricted to office hours or being required to travel to a set location
- services will be supported by end to end integrated processes, reducing or removing the need to re-key data. This is a key benefit of the My Cambridge portal – while a number of services have e-forms hosted on our website and from the customer's perspective these are self-service, in most cases these are not yet integrated and must be manually processed by Customer Service Advisors to rekey data into other systems
- systems, information and data will be accessible from a range of locations, using mobile working technology, including while officers are out and about in the community
- the Council will benefit from better data and intelligence and from having more efficient processes, including a natural shift from more costly, manual channels to self-service by the customer.

Most major services will have online access by the end of 2020/21 or early in the next financial year, and more detail about this is given in the appendix to this report.

3.4 Our customers already engage with us through self-service digital channels. Over the last eighteen months we have introduced digital channels for services including waste and recycling, housing tenancy services, and streets maintenance. Self-service channels for Revenues & Benefits have been live for a number of years and were developed substantially in 2019/20, allowing customers to register for Council Tax, submit a Benefits claim, and notify the Council of a change of circumstances, all online. So far more than 8,000 people have signed up for a My Cambridge portal account.

3.5 We have also offered self-service payment capabilities via the internet for some time and have seen the proportion of transactions carried out in this way increase substantially over the last twelve months. In total, in 2019/20, 75% of payments were made through self-service channels, as were 34% of our overall transactions and requests for service (including payments).

### Number and % of transactions carried out, by contact channel, 2019/20

#### Number of customer contacts in FY 2020/21

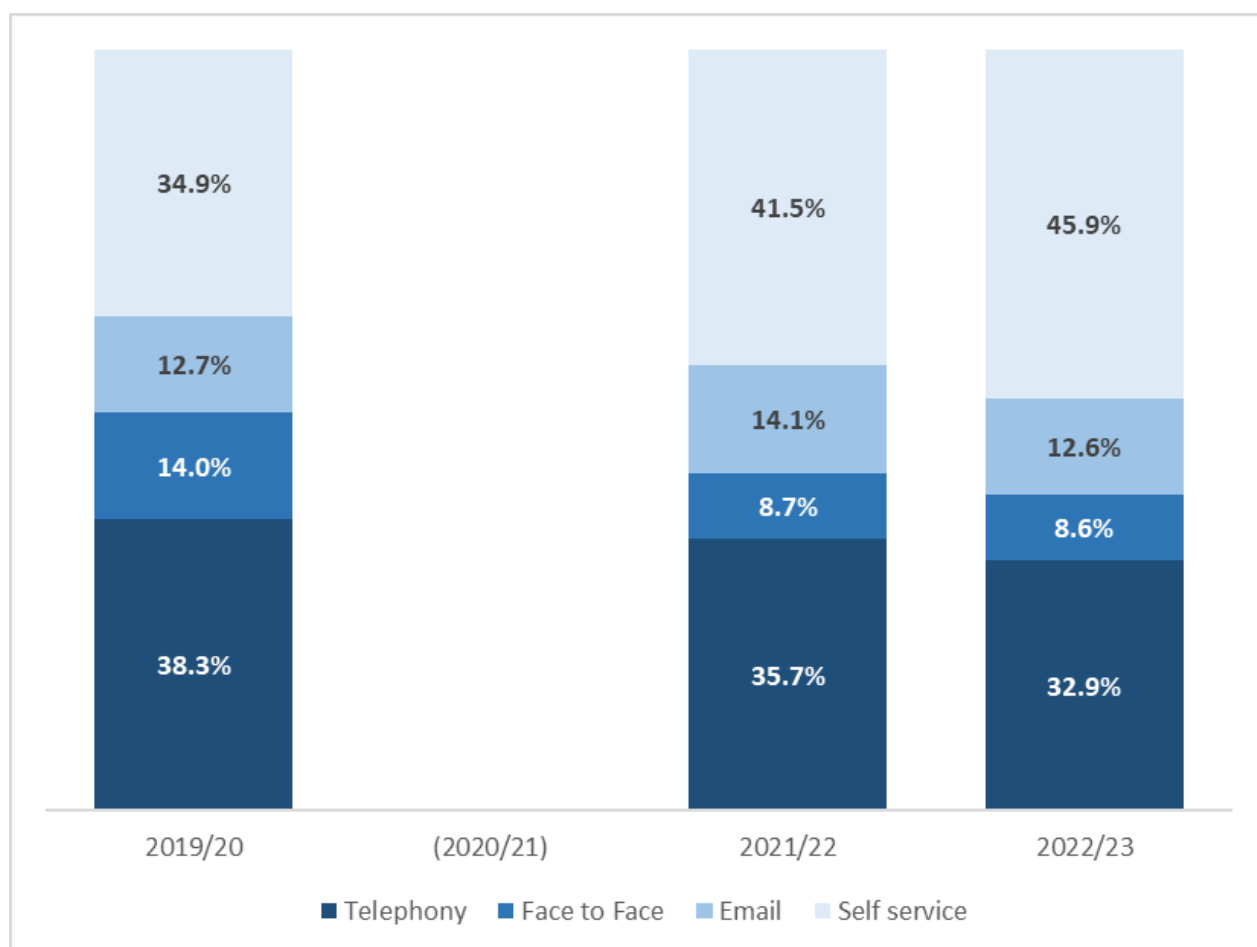
Channel type	Telephony	Face to Face	Email	Self service
Number of customer contact/request	144,133	35839	51594	42184
%	53%	13%	19%	15%
Number of payment transactions/contact	11,385	20928	0	99531
%	9%	16%	0%	75%
Total number of contact	155,518	56767	51594	141715
% of total contact	38%	14%	13%	35%

\*this table does not include information-only hits to the Council's website

In future years, we predict that the proportion of transactions that are self-service would shift, without any further action by the Council, from just under 35% in 2019/20 to 41% in 2021/22 and 46% in 2022/23, as set out in the chart on the following page:



## Projected customer contact by channel, 2019/20 – 2022/23



\* We have not provided a projection for 2020/21 because of the uncertainty caused by the pandemic and lockdown. As in the table above, this chart does not include information-only hits to the Council's website.

3.6 It's not surprising that we are already seeing use of digital channels where these exist – the majority of our customers will already be using such channels to make purchases, payments, or manage their interactions with other organisations. Over the next six to twelve months a number of additional services will come online through the My Cambridge portal, including:

- additional Revenues & Benefits services (by October 2020)
- for Council tenants, the ability to report and track a housing repair (by December 2020)
- Environmental Health and Licensing (by June 2021)

As the range of Council transactions with a self-service option available increases, we would expect to see a natural increase in take-up of these channels. Putting more proactive measures in place to support the take-up of digital channels could increase this shift even further, meaning that there will be less effort needed to manage customer contact and as a result the service will be able to deliver the same, or better, outcomes, while using fewer resources.

3.7 Over the last six months, we have been forced to make changes to customer service provision as a result of the Covid-19 pandemic and lockdown. During this period, face to face services at Mandela House have been restricted to emergency appointments only and the cash office has been closed; as have the reception and cash office at 171 Arbury Road. This has given us the opportunity to test different ways of supporting customers to contact us, and to assess how a different face to face and payments model might work in practice.

3.8 Not so long ago, customer enquiries were handled by individual service areas, each of which answered their own telephones and even had their own reception areas. Ten years ago we set up the current Customer Service Centre, which brought all this activity into a single multi-skilled team. When the Customer Service Centre was set up, the main ways customers contacted us were through telephone and face to face routes (alongside a small number of emails) and the current service we offer is still mostly organised around these channels. However, since then the world has moved on and developments in digital and technology, in particular, present many opportunities to provide customer service in new and different ways.

3.9 Together, all these new opportunities, combined with the changes we have made in response to Covid-19, mean that it is the right time to think more widely about how we can best provide customer services in the future.

## 4. Service Review

4.1 The review has involved extensive engagement with the Customer Service Centre team to map the current service and identify improvement opportunities, as well as reviewing how other local authorities have transformed their customer services. The review has followed a number of principles:

- ensuring the Council's core customer service outcomes, set out in paragraph 4.2, will continue to be delivered
- improving the customer experience, including how we will identify issues that originate in services or processes outside the Customer Service Centre and how those issues can be resolved, in a timely way, on an ongoing basis
- making best use of digital self-service channels and supporting customers to take advantage of these
- ensuring vulnerable customers will be able to access the services they need, including face to face support where this is necessary and appropriate
- improving the efficiency and resilience of the service, by ensuring we have the right structure to meet future demand, and that opportunities are identified to deliver a more efficient service.

4.2 The Council's core customer service outcomes have been defined as follows:

- Customers (residents, businesses, and community groups) are able to access Council services with the appropriate level of support for their needs. For simple transactions this support may be minimal and rely on a self-service or automated channel. For more complex transactions or more vulnerable residents, more in-depth or tailored support may be needed
- Customer enquiries are dealt with in a timely way
- Customers know what has happened to their enquiry and when it will be responded to
- Customer satisfaction is enhanced, despite the service using less resource

- Customers' needs are reflected in the way services are designed (as we collect more data and information which can be used to improve services).

4.3 The review recommendations fall into three categories which are described in more detail in the remainder of this report:

- carrying out work to improve the efficiency and resilience of Customer Services, and delivering a wider transformation plan to improve the customer experience and build a stronger customer service culture across the Council
- working with customers to encourage take-up of the digital self-service channels we are introducing, including enhanced 'assisted self-service' support for customers who need help accessing digital channels, and other digital inclusion activities for customers accessing Council services
- introducing an appointment-only face to face customer services model, alongside the continued provision of telephony – including closure of the cash office and support for customers who pay in cash to move to different channels, supported by a triage model to make sure vulnerable customers are able to access the support they need.

#### 4.4 **Improving the efficiency and resilience of Customer Services and the customer experience across the Council.**

We will continue the work we are already carrying out to improve business processes, and, alongside this, deliver a customer experience improvement programme to identify and review current causes of 'avoidable contact'. Avoidable contact refers to enquiries which could have been avoided – for example, because customers are contacting us to follow up on the progress of a request or where something has not been delivered. Our digital strategy will help to address these issues, by routing enquiries more effectively to the correct service, providing more frequent, automated updates to customers on the progress of their enquiry, and giving managers access to data and information on how customer requests are being met, including performance against SLAs, which they can use to address performance challenges and complaint levels within their services.

4.5 We will also carry out work to encourage a more customer-centric culture across all parts of the Council. Work with services to draw in examples of best practice – and define what this means for Cambridge City Council – has already started, and will continue over the coming months. To implement this culture we will set and agree clear values, roles and accountabilities for customer service, and work with staff and managers to embed these through training and development across the organization.

4.6 Within Customer Services, we will also introduce other measures to improve provision for customers and increase resilience within the service, including webchat (which increases efficiency), and developing the team's ability to work across the full range of the Council's services.

4.7 All these measures will improve customer satisfaction and support reductions in the numbers of customer complaints, as well as streamlining processes and enabling the Council to deliver more efficiently as a result.

**4.8 Working with customers to encourage takeup of digital channels, and providing 'assisted self-service' support**

The Council's Digital Transformation Strategy (2018) sets out our intention that the majority of simple, transactional customer contact should in the future be delivered through self-service digital channels rather than by Customer Service Advisors, and that traditional contact channels will be used by vulnerable or high-urgency customers who genuinely need that level of support, including those who, even with assistance, are not able to use digital methods to contact us. By shifting most contact from traditional channels to digital routes which offer an easy, improved experience for most customers, we can improve customer satisfaction and the outcomes the service delivers, while reducing the effort we need to deliver customer services.

4.9 Over the remainder of 2020/21 and the early parts of 2021/22, we will therefore continue to introduce new self-service digital channels according to the plan described in paragraph 3.6 of this report. Customer Service Advisors will proactively encourage and support customers towards these channels to increase awareness and ensure they are easy to find, and we will look at where we can simplify customer access routes

– for example, our website currently offers around 150 email addresses – to make self-service digital channels the preferred route to access services. We will monitor the changes in customer demand and ensure these are taken into account in the proposals for the new staffing structure.

4.10 We will also deliver an enhanced ‘assisted self-service’ offer to ensure that customers who are able to access services digitally are supported to do so, while continuing to provide other channels such as telephony for those who are unable to use digital.

4.11 Before the Covid-19 lockdown, customers were able to access a self-service computer area in Mandela House which enabled us to provide ‘assisted self-service’ access to our digital channels. The Customer Services front-of-house team signposted customers to this self-service area, and supported customers to complete applications and make other requests for service, in and around their existing duties. Of the c.36,000 face-to-face transactions carried out in 2019/20, more than 7,300 were customers who were supported to access Council services online in this self-service area. Customers were also supported by community provision with Cambridge Online and the Citizens Advice Bureau both running 1-2 drop-in sessions per week in this area, which were attended by more than 2,300 customers over the year. Other digital inclusion activities were provided across the city during 2019/20 through the Council’s Digital Access Strategy.

4.12 We know that around 90% of residents do use the internet. However, residents have varying levels of digital skills and we need to ensure that we continue to provide the help and support needed to access services digitally, particularly for those who do not use the internet. Customers might need support because they lack access to the internet, lack trust in the service and/or don’t have the skills or confidence to use online services; some customers may also lack motivation or may not know how to overcome these barriers without support.

4.13 Our support will focus on providing access to equipment and internet connectivity, including the continued rollout of free Wi-Fi, and on increasing customers’ confidence, skills and appetite to be able to access

Council services online, now and in the future. We will design this around three levels of need, following best practice recommendations:

1. **Customers who with access and a small amount of help and encouragement could access services online, now and in the future** – This will include access to equipment, first time assistance, signposting to courses, light touch signposting and navigation of services, information and guidance
2. **Customers who with access and more intensive support will be able to access services online, now and potentially in the future** – This could include assistance with using a PC, setting up an email address or a My Cambridge account; side by side assistance with completion of forms; explaining service provision and navigation of services, referral to ICT and other courses and/or referral to other services and partners for help and assistance
3. **Customers who temporarily or who will always require officer support and/or advocacy to navigate and/or access services** – This support will include appointments, face to face or by telephone, to facilitate access to services for the customer including advocacy and referral across multiple departments. These customers would not be expected to self serve.

4.14 Customers will be provided 'digital assistance' via **all** access channels to enable them to effectively and confidently use the digital platform if they are able to do so. The support, by channel, will include:

- Digital – webchat, 'how to' guides and FAQs, including signpost/access to other channels to ensure customers who are struggling can get the services they need
- Telephone – first time assistance, advice and information, form navigation or setting up an account on behalf of the customer
- Face-to-face – access to equipment and facilities; side by side assistance to set up a My Cambridge account and/or email address, as carried out by the front-of-house team at Mandela House before lockdown.

4.15 In addition, customers at Mandela House will be able to access an enhanced meet and greet service and floor walkers to direct them to

the appropriate assistance route, including assisted self-service. We will also look at opportunities where officers carrying out home or community visits could provide similar assistance, advice or support to residents.

4.16 We will reopen the Mandela House self-service area and will also look to develop other access arrangements via our own sites and those provided through our partners, to join up provision of access to PCs, devices and Wi-Fi.

4.17 As we increasingly digitise services we need to ensure that no-one is left behind. To do this, we will pro-actively 'reach out' to residents in order to understand their access requirements and to deliver activities that will help them to 'get online', through digital inclusion activities commissioned through our digital partnership arrangements.

#### **4.18 Reconfiguring the Council's face to face customer services, including the reception and cash offices at Mandela House and Arbury Road**

To ensure staff and customers were kept safe during the Covid-19 lockdown, we took the decision to close the reception areas at Mandela House and Arbury Road, including the drop-in face-to-face services, the cash office and payment kiosks, and the self-service area at Mandela House. During this time the Customer Service Centre has continued to offer telephony, email and self-service access and has offered an appointment-only face to face service staffed by two Customer Service Advisors on two days per week. This has ensured emergency or otherwise vulnerable customers are still able to access Council services during the lockdown period. Take-up of these appointments has been low, though this will in part reflect the lockdown restrictions on customers' movement and the reduced number of Council services running during this time – we have seen an overall fall in contacts across all channels during the lockdown period. This model has been working well during the Covid-19 lockdown period and has enabled the Customer Service Centre to manage emergencies while releasing capacity to support other work including the community resilience response.



4.19 Over the last year we had already seen a fall in the proportion of transactions made through the cash office and a rise in the number of payments made through self-service channels, including touch-tone and online payments. During lockdown we have seen this shift sustained with an increase of nearly 20% – c.7,000 transactions or £1.83m – in payments made through self-service channels between March and August 2020 compared to the same period in 2019. We know that many of our customers are already using alternative payment routes and those who still need to make rent and Council Tax payments by cash can do this through other channels including PayPoint, which has locations all over the country including approximately 25 outlets within the city of Cambridge.

4.20 Many other local authorities provide appointment-only face to face services, including Norwich City Council, which provides comparable services to CCC, in a similar city. This has allowed them to meet demand more efficiently and effectively while developing their digital self-service offering. Many local authorities have also reduced or eliminated cash transactions entirely, including Birmingham and Leeds City Councils, and the London Borough of Brent – the latter has been cashless since 2016, including for highly vulnerable adult social care customers.

4.21 The review proposes that we will formally adopt an appointment-only face to face service and move to a cashless payments model, including closure of the Arbury Road cash office, based on the experience of working in this way over the past six months. To deliver this, we would introduce an enhanced triage service across all customer contact channels providing additional support to ensure customers are able to access the right services to meet their needs. Where appropriate this would include signposting to assisted self-service and/or information, advice and guidance, but customers identified as being more vulnerable or with complex needs will be able to access a face-to-face service if needed – including advocacy to navigate Council and partner services – or will be supported through a specialist pathway designed for emergencies – such as homelessness presentation. We will design and agree a vulnerability framework to support Customer Service Advisors to triage customers and ensure those in need of support are identified.

4.22 Cash accounts for 16% of total payments with 94% of these related to payment of rents, service charge or Council Tax. We know that customers who choose to make a cash payment fall into the following groups:

- Those who prefer to pay by cash
- Those that don't have access or the skills to do so online
- Those that can't, usually as they require advice – i.e. don't know which services they are paying for or the amount due, or don't have adequate information to make the payment (such as an invoice number)
- Customers of a small number of specific services (for example, paying for a taxi license having had an appointment, making a planning application, applying for a temporary events notice)
- A small number of customers with a long-standing relationship with cashiers in relation to rent payments, who may need support and assistance to use other methods.

4.23 These issues can be mitigated through effective triage in Customer Services, combined with proactive support to those individuals known to cashiers and enhanced information/engagement about different ways that customers can get advice and make payments, including cash. Cash payments can continue to be made via banks and PayPoint for Council Tax and Rent; customers can also make payments at Post Offices using a payment card. We will provide specific support to customers who do not have a bank account to ensure they are still able to make payments.

4.24 It is not known what the lasting effect of Covid-19 on customer behaviour will be. To understand this, and to inform and confirm the model and resource requirement for the face to face service, it is proposed that the revised service offer is tested via a trial in autumn 2020. The trial will enable us to capture data and customer feedback in relation to assisted self-service, appointments take-up, triage of those who are vulnerable and have complex needs, and general footfall at Mandela House, which will in turn inform the final proposals for the future service structure.

## **5. Implications**

### **a) Financial Implications**

The restructure, and the associated closure of the Arbury Road cash office, is expected to deliver an ongoing annual saving in the region of £300 - £350,000 per annum from the start of the financial year 2021/22, with a payback period for any costs of change not covered by existing budgets, depending on the final structure adopted. This saving will be attributed across the General Fund and HRA with the precise allocation to be determined following further work.

Some investment will be required in 2020/21 to support implementation, for example, increased staffing levels to support individuals to transfer to digital channels; reconfiguration of the self-service area at Mandela House to ensure the space is fit for purpose and Covid safe. The majority of this investment will be covered through existing service budgets.

### **b) Staffing Implications**

Staff consultation will begin in Autumn 2020, and will include the full engagement of staff working in the service and in related areas, to ensure the new service design will meet the Council's needs and that issues affecting staff have been considered in accordance with the Council's Organisational Change Policy.

We expect that managing customer demand in the future will require around 75% of the work it takes to manage it now. Customer Services is currently made up of 36.7 FTE – one Operations Manager, two Team Managers, three Principal Customer Service Advisors, nine Senior Customer Service Advisors, 21 Customer Service Advisors and a Concierge, and the Arbury Road cashiering service is made up of 1.2 FTE. The final staffing structure will be determined after the consultation. The service is currently holding a number of vacancies which would offset any changes in staff numbers.

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

An initial Equality Impact Assessment has been carried out and the needs it has identified have been taken into account in the design of the new service. These needs are being mitigated through:

- introduction of the vulnerability framework and triage function, which will ensure continued provision of a face to face service where needed for customers with additional needs
- additional support to help customers transition to self-service channels and alternative payment methods
- ongoing provision of 'assisted self-service' and digital inclusion activities.

A further Equality Impact Assessment will be carried out once final proposals have been developed for the new service and new structure.

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

No immediate environmental implications. Fewer customers travelling to Mandela House to access face to face services could reduce the Council's future carbon footprint from travel-related energy use and emissions; as would ongoing home working, continuing from the arrangements under the Covid-19 lockdown and supported by the transition to appointment-only face to face.

#### **e) Procurement Implications: None**

#### **f) Community Safety Implications**

Mandela House has historically been a hate crime reporting centre and it is proposed that this will continue under the new service model.

#### **g) Consultation and communication considerations**

Staff and union consultation will commence Autumn 2020, with a detailed consultation paper/draft structure, engagement opportunities for all staff, and careful consideration of responses prior to an implementation report.

A full communications and engagement plan is being developed to ensure customers are adequately informed about changes affecting them, and customer feedback will be taken into account throughout the implementation of these proposals.

As this decision has a specific impact on customer service provision at Arbury Road, tenant representatives have been engaged in the lead up to

publication of this report and the Executive Member for Housing, along with members of the Housing Scrutiny Committee, has also been briefed.

## **6. Background papers**

Digital Transformation Strategy, Strategy and Resources Committee, 2 July 2018

<https://democracy.cambridge.gov.uk/ielssueDetails.aspx?Id=20852&PlanId=0&Opt=3#A120535>

## **7. Inspection of papers**

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

Elissa Rospigliosi, Head of Transformation, 01223 457454

[Elissa.Rospigliosi@cambridge.gov.uk](mailto:Elissa.Rospigliosi@cambridge.gov.uk)

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## Appendix 1: Digital Customer Services – forward plan and timescales

As of September 2020, the following digital services are available to residents through the My Cambridge customer portal:

- Waste forms
  - Missed bins
  - Bulky waste collections
- Revenues and Benefits
  - through links to the Northgate CA-B/CA-R portal, make changes to their account, make a payment, provide more information or apply for a benefit or exemption
  - From October, information will be pulled through from the Northgate system to show
    - the date of their last Council Tax payment,
    - their discounts and exemptions,
    - their last benefits payment
    - the status of their claim
  - information, advice and Frequently Asked Questions (FAQs)
- Housing Tenancy Services (through link to Orchard Housing)
  - check rent and service charge account balance
  - print out own rent and service charge statement
  - pay rent and service charges online
  - request a new rent card
  - set up a direct debit
  - amend some personal details and contact information
- Streets and Open Spaces – report the following issues
  - Dangerous waste
  - Dead animals
  - Damaged, unclean and overflowing bin
  - Weed control
  - Fly-tipping
  - Street detritus (requiring deep clean), and/or litter
  - Graffiti
  - Fallen branches
- Trees:
  - request a TPO (and copy of)
  - permission to work on protected trees
  - check if someone has permission & report unauthorised works
  - comment on tree work schedule

The diagram on the next page shows the timeline for the delivery of services from the Digital Customer Services programme in the coming months.

## Timeline for Delivery of Digital Customer Services

October 2020	November 2020	Dec 2020 to Jan 2021	February 2021	March 2021	April 2021	May 2021
<p><b>Markets:</b></p> <ul style="list-style-type: none"> <li>- book a pitch</li> <li>- pay for a pitch booking</li> <li>- request changes to pitch booking (e.g. type of goods sold)</li> <li>- report issues</li> <li>- view licence through portal</li> </ul>	<p><b>Housing repairs:</b></p> <p>Through link to Orchard Housing</p> <ul style="list-style-type: none"> <li>- request repair jobs</li> <li>- select a preferred appointment time for a repair</li> <li>- monitor the progress of any repair</li> </ul>	<p>No services due to go live</p>	<p><b>Streets and Open Spaces:</b></p> <ul style="list-style-type: none"> <li>- Damage on Pavilions, Kiosks or Bowls</li> <li>- Sport pitches issue</li> <li>- Bench, street name plate and bus shelter damage</li> <li>- Hedge and Shrub bed maintenance and grass cutting</li> <li>- Issues on Play areas</li> <li>- Issues with Public Toilet</li> <li>- Issues with other assets e.g. cattle grids and moorings</li> </ul>	<p><b>Housing:</b></p> <p>Migrating some or all tenancy services and self-appointed repairs to the My Cambridge portal (TBD)</p> <p>Also include reporting anti-social behaviour and further improvements to processes as identified in the Service Review</p>	<p><b>Complaints:</b></p> <p>Integrate the Case Tracker complaints management system into the OneVu customer portal, and enable users to submit a complaint, and track the progress of the case using their OneVu account.</p>	<p><b>Environmental Health:</b></p> <p>200+ Environmental Health and Licensing processes will have digital self-service access, including licence applications, reporting noise complaints, and providing updates due to change of circumstances</p>
<p><b>Elections:</b></p> <p>Updated website and FAQs, better signposting to existing processes.</p>	<p><b>Commercial Property:</b></p> <p>Application to rent a commercial property and create FAQ section for quick-fire questions.</p>		<p><b>Environmental Health</b></p> <p>Providing an online register is a legislative requirement for Councils. It is a list of all licenses held by businesses in the Cambridge City area.</p>			



# CAMBRIDGE CITY COUNCIL

## Record of Executive Decision

**RECORD OF URGENT DECISION ON REVISED  
LOCAL AUTHORITY DISCRETIONARY GRANT POLICY  
UNDER SECTION 31 OF THE LOCAL GOVERNMENT ACT 2003**

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

**Reference:** 20/URGENCY/SR/15

**Date of decision:** 6/8/20 **Recorded on:** 6/8/20

**Decision Type:** Key

**Matter for Decision:** In early June 2020, the Executive Councillor agreed a local policy for distributing government-funded discretionary grants to businesses, charities and not-for-profit organisations which were not eligible for earlier Covid-19 government funds and were struggling to survive the lockdown. This has enabled the Council to distribute just over half (£573,000) of the £1.1 million available by late July, but applications have now slowed down significantly. The proposed revisions to the grant policy which require a decision are set out in section 3 of the attached report.

**Why the decision had to be made (and any alternative options):** The policy needs to be revised so that a wider range of relevant businesses and other relevant organisations can be paid grants from the remaining funding before the Government closes the national scheme to applicants on 28 August 2020. Officers have considered different options including: no change; top-ups for existing grant recipients; and possible changes to applicant categories, grant banding and amounts and eligibility criteria.

**The Executive Councillor's decision(s):** Approved the proposed changes to the applicant categories, grant funding levels and eligibility criteria to be incorporated in a revised version of the Council's Discretionary Grant Fund policy; and delegated authority to the Strategic Director to finalise the revised Discretionary Grant Fund policy and processes, approve updates and oversee application assessment and grant distribution for the final period of the grant scheme.

**Reasons for the decision:** As detailed in the Officer's report attached. [Link to the briefing paper for the Urgent Decision regarding Revised Local Authority Discretionary Grant Policy under section 31 of the Local Government Act 2003](#)

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

**Report:** Attached

**Conflicts of interest:** None

**Comments:** The Opposition Spokes councillor queried the proposal to close the application round for market and street traders and bed & breakfasts. The Strategic Director confirmed that officers had put a lot of time into assisting and encouraging applications from market and street traders and B&Bs some have chosen not to apply for various reasons. As the time is now limited, the Executive Councillor has made the decision to give other key sectors priority.  
The decision will be reported to the Strategy and Resources Scrutiny Committee on 5 October 2020.

**Procurement of electricity supply contract 2020**

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

**Reference:** 20/URGENCY/SR/14

**Date of decision:** 13/8/2020      **Published on:** 13/8/2020

**Decision Type:** Key Decision

**Matter for Decision:** Approval to procure the Council’s electricity supply contract via an ESPO framework contract.

**Why the decision had to be made (and any alternative options):** There is a requirement to re-procure the Council’s electricity supply contract from 1<sup>st</sup> of October 2020. Spending on electricity is around £780,000 per year (estimated £3.1m over the life of the contract) so this is a key decision requiring approval from the Executive Councillor.

Energy prices fluctuate and have been impacted by the coronavirus outbreak. ESPO report prices are currently at a low level. It is likely, although not certain, that electricity prices will increase this year. It is therefore recommended that this procurement decision is made as an out of cycle decision rather than wait until strategy and Resources Scrutiny Committee on 5<sup>th</sup> October 2020.

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

- i. Approved the purchase of electricity via the Eastern Shires Purchasing Organisation (ESPO) energy framework as outlined in option 3 of the briefing note.
- ii. Approved the contract period for the provision of electricity should run for four years from the 1st October 2020 to the 30th September 2024.
- iii. Authorised the Strategic Director or Head of Housing Maintenance and Assets to approve the actual electricity price tariff when the procurement is completed by ESPO..

<b>Reasons for the decision:</b>	As detailed in the Officer's briefing note.
<b>Scrutiny consideration:</b>	The Chair and Spokesperson of Strategy and Resources Scrutiny Committee were consulted prior to the action being authorised.
<b>Report:</b>	<a href="#">Link to Officer briefing paper</a>
<b>Conflicts of interest:</b>	None
<b>Comments:</b>	<p>The Opposition Spokes Councillor queried how the ESPO contract performance was monitored, if other frameworks had been considered and how long it would take these providers to provide an assessment.</p> <p>The Officer responded that the new corporate Energy Manager post in the Estates and Facilities team will carry out a review of procurement options for energy but this will not be until the start of 2021. The review will include looking at alternative procurement frameworks and benchmarking prices.</p>